



NEXUS GOLD CORP.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**

Expressed in Canadian Dollars

Head office and registered and records office address:

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Chartered Professional Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nexus Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Nexus Gold Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years ended January 31, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years ended January 31, 2024 and 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended January 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our auditors' report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

"SHIM & Associates LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

May 30, 2024

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JANUARY 31, 2024 AND 2023

Expressed in Canadian Dollars

	January 31, 2024	January 31, 2023
	\$	\$
ASSETS		
Current		
Cash	7,062	30,115
Commodity tax recoverable	11,504	194,649
Marketable securities (note 6)	40,000	45,000
Prepays	43,648	33,022
Total current assets	102,214	302,786
Right of use asset (note 10)	13,592	40,775
Leasehold improvement (note 7)	2,001	6,003
Exploration and evaluation assets (note 5)	1,442,282	1,545,137
TOTAL ASSETS	1,560,089	1,894,701
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	684,187	467,779
Due to Nexus Metals Corp. (note 12)	803,592	712,066
Loan payable (note 9)	690,000	660,000
Office lease liability (note 10)	17,559	32,270
Total current liabilities	2,195,338	1,872,115
Office lease liability, long term (note 10)	-	17,559
TOTAL LIABILITIES	2,195,338	1,889,674
EQUITY (DEFICIENCY)		
Share capital (note 11)	28,020,672	27,563,856
Share-based payment reserve (note 11)	3,223,371	3,200,287
Deficit	(31,879,292)	(30,759,116)
TOTAL EQUITY (DEFICIENCY)	(635,249)	5,027
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	1,560,089	1,894,701

Nature and continuance of operations (note 1)
Subsequent event (note 16)

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

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

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

Years ended January 31,	2024	2023
	\$	\$
EXPENSES		
Advertising (recovery)	3,377	(1,115)
Amortization (note 7)	4,002	4,002
Consulting fees	285,829	333,909
Corporate development and advising	108,667	90,299
Filing fees	40,066	64,430
Foreign exchange loss	3,278	23,144
Geological consulting	60,125	67,139
Insurance	15,663	17,093
Interest expense (notes 9 and 10)	42,099	35,507
Investor relations	-	10,158
Management and directors' fees (note 12)	62,500	90,000
Market research and analysis	17,500	99,784
Marketing	-	326,783
Media	-	149,966
Office and administration (note 12)	90,505	207,317
Professional fees	200,910	284,143
Rent (note 10)	29,961	23,800
Loss for the year before other items	(964,482)	(1,826,359)
OTHER ITEMS		
Loss on settlement of debt (notes 8 and 11)	-	(100,000)
Loss on impairment of exploration and evaluation asset (note 5)	(135,923)	(410,101)
Gain on settlement of accounts payable (note 8)	14,759	-
Other income	7,137	-
Excess property option payments received (note 5)	-	3,751
Unrealized loss on marketable securities (note 6)	(41,667)	(18,333)
Net loss and comprehensive loss for the year	(1,120,176)	(2,351,042)
Basic and diluted loss per common share	\$ (0.03)	\$ (0.07)
Weighted average number of common shares outstanding	38,640,446	31,829,213

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

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
YEARS ENDED JANUARY 31, 2024 AND 2023

Expressed in Canadian Dollars

	Number of shares	Share capital	Share-based payment reserve	Deficit	Total equity (deficiency)
		\$	\$	\$	\$
Balance, January 31, 2022 (restated)	31,773,323	31,974,563	3,200,287	(28,408,074)	6,766,776
Plan of Arrangement – spin out of Nexus Metals Corp.	-	(4,560,707)	-	-	(4,560,707)
Shares issued for debt settlement	100,000	150,000	-	-	150,000
Loss for the year	-	-	-	(2,351,042)	(2,351,042)
Balance, January 31, 2023	31,873,323	27,563,856	3,200,287	(30,759,116)	5,027
Shares issued for cash	10,000,000	500,000	-	-	500,000
Share issuance costs	-	(43,184)	23,084	-	(20,100)
Loss for the year	-	-	-	(1,120,176)	(1,120,176)
Balance, January 31, 2024	41,873,323	28,020,672	3,223,371	(31,879,292)	(635,249)

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

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 31, 2024 AND 2023

Expressed in Canadian Dollars

Years ended January 31,	2024	2023
	\$	\$
CASH USED IN OPERATING ACTIVITIES		
Loss for the year	(1,120,176)	(2,351,042)
Adjustments for non-cash items:		
Accrued interest on loan payable	37,751	28,945
Amortization	4,002	4,002
Right of use asset amortization	27,183	27,183
Loss on settlement of debt	-	100,000
Loss on impairment of exploration and evaluation asset	135,923	410,101
Gain on excess option payment received	-	(3,751)
Gain on settlement of accounts payable	(14,759)	-
Unrealized loss on marketable securities	41,667	18,333
Changes in working capital items:		
Commodity tax recoverable	183,145	(85,211)
Prepays	(10,626)	570,031
Office lease liability	(32,270)	(28,567)
Accounts payable and accrued liabilities	193,416	216,594
Due to Nexus Metals Corp.	54,859	712,066
Net cash used in operating activities	(499,885)	(381,316)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	500,000	-
Share issue costs	(20,100)	-
Cash from a loan agreement	30,000	385,000
Net cash provided by financing activities	509,900	385,000
INVESTING ACTIVITIES		
Recovery of exploration and evaluation assets	-	200,000
Exploration and evaluation expenditures	(33,068)	(312,918)
Net cash used in investing activities	(33,068)	(112,918)
Change in cash for the year	(23,053)	(109,234)
Cash, beginning of the year	30,115	139,349
Cash, end of year	7,062	30,115
NON-CASH TRANSACTIONS		
Plan of Arrangement – spin out of Nexus Metals Corp.	-	4,560,707
Shares issued for a debt settlement	-	150,000
Finder's warrants	23,084	-

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

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

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 802 - 750 West Pender Street, Vancouver, BC.

On October 12, 2022, the Company completed the spin-out the Company's existing Canadian projects. The plan of arrangement involves the spin-out of Nexus Metals Corp. (“Nexus Metals”), a newly established subsidiary of the Company, and its Canadian resource projects to shareholders (the “Plan of Arrangement”). As a result of the completion of the Plan of Arrangement, the Company transferred all of its rights to the Canadian projects to Nexus Metals. A total of 45,390,460 shares of Nexus Metals have been distributed on a pro rata basis to shareholders of the Company. The Company shareholders received approximately one Nexus Metals share for every seven common shares of the Company (note 4).

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

These consolidated 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 fund its activities and relies on financing raised from the issuance of shares and the support of creditors and related parties.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

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 consolidated 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors of the Company on May 30, 2024.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Basis of presentation

These 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The 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 consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries,

- CSR (British Columbia) (inactive),
- Nexus Gold Corp Burkina (Burkina Faso), and
- Cyclone North Resources Inc. (inactive).

All significant inter-company balances and transactions have been eliminated upon consolidation.

Significant accounting estimates and judgments

The preparation of these 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 year.

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 consolidated financial statements are as follows:

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgments (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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation interests) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

The Company may from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into: i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes as other income.

Share-based compensation

The Company grants share purchase options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The Company uses the fair value-based method of accounting for stock options granted to directors and for compensatory warrants. Under this method, the fair value of the stock options and compensatory warrants are determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period, and the fair value of compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Financial instruments

The Company classifies its financial assets into one of the following categories as follows: Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company has classified its cash as a financial asset measured at fair value through profit and loss. Such assets are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
Expressed in Canadian Dollars

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its accounts payables and due to related parties as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of amounts payable and due to related parties. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard (“IAS”) 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share. When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Company assesses whether a contract is, or contains, a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Accounting standards issued but not yet effective

There are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's consolidated financial statements.

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).

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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values (continued)

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of 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. 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.

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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(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.

4. PLAN OF ARRANGEMENT

On October 12, 2022, the Company completed the spin-out of the Company's Canadian projects to Nexus Metals pursuant to the Plan of Arrangement in exchange for 45,390,460 common shares of Nexus Metals, which have been distributed on an approximate one-for-seven basis to the shareholders of the Company (note 1).

The fair value of the net assets transferred to Nexus Metals pursuant to the Plan of Arrangement was \$4,560,707 related to the Company's carrying value of the Canadian projects (note 5) which has been recorded as a distribution to the shareholders presented as a reduction in share capital.

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5. EXPLORATION AND EVALUATION ASSETS

During the year ended January 31, 2024, the Company incurred the following exploration and evaluation costs related to the properties.

	Bouboulou Burkina Faso	Rakounga Burkina Faso	Dakuli II Burkina Faso	Manzour Dayere Burkina Faso	Nianguela Burkina Faso	Fofora Project	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2023	1	1	1,412,996	129,598	2,541	-	1,545,137
Deferred exploration costs:							
Administration	-	642	1,589	-	439	20,082	22,752
Assay	-	-	65	-	-	-	65
General field	-	465	7,550	-	-	-	8,015
Travel and accommodation	-	-	-	-	2,236	-	2,236
Total exploration costs	-	1,107	9,204	-	2,675	20,082	33,068
Impairment	(1)	(1,108)	-	(129,598)	(5,216)	-	(135,923)
Balance, January 31, 2024	-	-	1,422,200	-	-	20,082	1,442,282

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5. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended January 31, 2023, the Company incurred the following exploration and evaluation costs related to the properties.

	Bouboulou Burkina Faso	Rakounga Burkina Faso	Dakuli II Burkina Faso	Manzour Dayere Burkina Faso	Nianguela Burkina Faso	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	Cyclone Project	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2022 (restated)	1	387,393	1,374,102	112,281	2,541	2,289,989	516,837	509,846	259,582	589,037	421,000	6,462,609
Deferred exploration costs:												
Administration	-	17,561	29,642	14,421	-	19,151	-	-	-	-	-	80,775
Assay	-	-	-	-	-	51,962	-	6,899	-	2,162	-	61,023
General field	-	357	675	-	-	3,289	-	760	-	720	64,916	70,717
Geological	-	2,250	2,325	-	-	30,822	11,250	13,330	-	18,950	7,250	86,177
Travel and accommodation	-	2,541	6,252	2,896	-	2,537	-	-	-	-	-	14,226
Total exploration costs	-	22,709	38,894	17,317	-	107,761	11,250	20,989	-	21,832	72,166	312,918
Option payments received	-	-	-	-	-	-	-	-	(259,582)	-	-	(259,582)
Impairment	-	(410,101)	-	-	-	-	-	-	-	-	-	(410,101)
Plan of arrangement (note 4)	-	-	-	-	-	(2,397,750)	(528,087)	(530,835)	-	(610,869)	(493,166)	(4,560,707)
Balance, January 31, 2023	1	1	1,412,996	129,598	2,541	-	-	-	-	-	-	1,545,137

5. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in West Africa

Bouboulou Property, Burkina Faso, West Africa - Terminated

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 agreement was amended in February 2020.

During the year ended January 31, 2021, the Company did not make the payments required by the option agreement to keep it in good standing and accordingly the carrying value of the property was written down to \$1.

During the year ended January 31, 2024, the Company decided not to pursue the project and accordingly the carrying value of the property was written down to \$Nil.

Rakounga Gold Property, Burkina Faso, West Africa – Terminated

On July 11, 2017, the Company entered into 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 agreement was amended in August 2019.

During the year ended January 31, 2020, management had considered whether the costs capitalized for Rakounga property were recoverable based on the review of future option payments to be made and option payments to be received from the optionee. Based on the results of this assessment, it was determined that as of January 31, 2020 the capitalized costs were not recoverable and as such the related capitalized exploration and evaluation costs were written-down to \$1.

During the years ended January 31, 2021 and 2022, the Company incurred and capitalized additional exploration and evaluation costs which were deemed recoverable due to an established history of payments received from the optionee. The Company was not able to recover any further costs from the optionee and as of January 31, 2023, the Company determined that the capitalized costs are not recoverable and such the related capitalized exploration and evaluation costs were written down to \$1, resulting in a write-off of exploration and evaluation assets of \$410,101.

During the year ended January 31, 2024, the Company decided not to pursue the project and accordingly the carrying value of the property was written down to \$Nil.

Dakuli II Property, Burkina Faso, West Africa

In 2019, the Company applied to the Ministry of Mines in Burkina Faso to stake Dakuli II claims. During the year ended January 31, 2020, the Company received approval from the Ministry of Mines in Burkina Faso and started exploration work on the property.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in West Africa (continued)

Manzour Dayere, Burkina Faso, West Africa - Terminated

During the year ended January 31, 2020, the Company paid \$4,510 in staking fees to stake Manzour Dayere claims. The Company started exploration work on the property in fiscal 2020.

During the year ended January 31, 2024, the Company decided not to pursue the project and accordingly the carrying value of the property was written down to \$Nil.

Nianguela, Burkina Faso, West Africa - Terminated

During the year ended January 31, 2022, the Company paid \$2,541 in staking fees to stake Nianguela claims. The Company has not yet started to explore the property.

During the year ended January 31, 2024, the Company decided not to pursue the project and accordingly the carrying value of the property was written down to \$Nil.

Fofora Gold Property, Burkina Faso, West Africa

On May 13, 2023, the Company signed an option agreement to acquire a 90% interest in the 6,200-hectare (62 square km) Fofora gold project exploration permit located 450 kilometres to the southwest of Ouagadougou, Burkina Faso, West Africa, in consideration for the following cash payments and the issuance of common shares of the Company as follows:

- i) pay US\$15,000 (paid) and issue 50,000 shares on the closing date;
- ii) pay US\$35,000 and issue 100,000 shares on or before the 18-month anniversary of the closing date;
- iii) pay US\$100,000 and issue 150,000 shares on or before the 36-month anniversary of the closing date; and
- iv) pay US\$150,000 and issue 200,000 shares on or before the 54-month anniversary of the closing

Following the exercise of the option, the Company shall have the right to acquire the remaining 10% interest in the property for a period of one year following the exercise of the option, in consideration for a one-time cash payment of US\$2,000,000.

As at January 31, 2024, the first 50,000 shares had not yet been issued and the deadline to issue the shares is currently being re-negotiated with the optionor.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in Canada

During the year ended January 31, 2023, the Company spun out the Canadian properties, including New Pilot Project, McKenzie Property, Gummy Bear, Black Ridge and Bauline, Dorset Gold Project and Cyclone Project, to Nexus Metals (note 4).

6. MARKETABLE SECURITIES

During the year ended January 31, 2023, the Company received 333,333 shares of Leocor Gold Inc. valued at \$63,333 in relation to the Dorset Option Out agreement. As at January 31, 2023, the fair market value was \$45,000. At January 31, 2024, the shares had a fair value of \$20,000 resulting in an unrealized loss of \$25,000 for the year ended January 31, 2024.

During the year ended January 31, 2024, the Company received additional 333,333 shares of Leocor Gold Inc. valued at \$36,667 recorded as Due to Nexus Metals. At January 31, 2024, the shares had a fair value of \$20,000 resulting in an unrealized loss of \$16,667 for the year ended January 31, 2024.

In aggregate, the Company recorded an unrealized loss of \$41,667 during the year ended January 31, 2024 (2023 - \$18,333).

7. LEASEHOLD IMPROVEMENTS

At the time of entering into an office lease for the Company's offices, during the year ended January 31, 2020, the Company incurred leasehold improvement expenses of \$20,010. The leasehold improvements are amortized on a straight-line basis over the term of the lease of five years. Leasehold improvements as at January 31, 2024 are as follows:

	Cost	Accumulated Amortization	Net book value
	\$	\$	\$
Leasehold improvements, January 31, 2022	20,010	(10,005)	10,005
Amortization	-	(4,002)	(4,002)
Leasehold improvements, January 31, 2023	20,010	(14,007)	6,003
Amortization	-	(4,002)	(4,002)
Leasehold improvements, January 31, 2024	20,010	(18,009)	2,001

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	January 31, 2024	January 31, 2023
	\$	\$
Trade payables	562,491	388,834
Accrued liabilities	55,000	50,000
Accrued interest on loan payable (note 9)	66,696	28,945
	<u>684,187</u>	<u>467,779</u>

During the year ended January 31, 2023, the Company settled payables in the amount of \$50,000 by issuing 100,000 common shares resulting in a loss on settlement of debt of \$100,000 (note 11). During the year ended January 31, 2024, the Company settled payables in the amount of \$14,759 resulting in a gain on settlement of \$14,759. There was no debt settlement by shares.

9. LOAN PAYABLE

As of January 31, 2024, the Company had \$690,000 (January 31, 2023 - \$660,000) in a loan bearing interest at 6% per annum, unsecured and is due on demand and no later than April 28, 2024 (note 16). During the year ended January 31, 2024, the Company recorded interest expense of \$41,267 (2023 - \$28,945).

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10. RIGHT OF USE ASSET AND LEASE OBLIGATION

Right-of-Use asset represents the Company's right to lease the office space. It is amortized over the term of the lease. During the year ended January 31, 2024, \$27,183 was recorded in rent expense for amortization of this asset (2023 - \$27,183) and \$3,539 in interest expense (2023 - \$6,562).

Office lease liability represents the Company's obligation to pay office rent during the term of the office lease contract. The Company measures the lease liability at the present value of the lease payments that are not paid at January 31, 2024. The lease payments are discounted using a 10% interest rate which is the Company's estimated incremental borrowing rate.

The following schedule provides details of the lease liability at January 31, 2024:

Minimum lease payments:	\$
Next 12 months	18,074
Beyond 12 months	-
Total future minimum lease payments	18,074
Less: Imputed interest	(515)
Total lease liability	17,559
Less: Current portion	(17,559)
Long-term portion of future minimum lease payments	-

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

During the year ended January 31, 2024:

- i) On May 29, 2023, the Company closed the non-brokered private placement, involving the issuance of 10,000,000 shares at a price of \$0.05 per share for gross proceeds of \$500,000.
- ii) On May 17, 2023, the Company consolidate its common shares on a ten-for-one basis. All figures have been retroactively adjusted to reflect the stock consolidation, unless otherwise stated.

During the year ended January 31, 2023:

- iii) In July 2022, the Company issued 100,000 shares valued at \$150,000 to settle accounts payable of \$50,000 resulting in a loss of \$100,000 (note 8).
- iv) In October 2022, the Company completed the spin-out of its Canadian projects to Nexus Metals pursuant to the Plan of Arrangement resulting in a decrease of share capital of \$4,560,707 (notes 4 and 5).

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

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 \$0.50. 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.

At January 31, 2024, the Company had the following share purchase options outstanding:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
	\$		
20,000	1.30	February 28, 2024	0.08
20,000	1.30		0.08

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

	Number of Options	Weighted average exercise price
		\$
Outstanding and exercisable, January 31, 2022	1,246,190	1.20
Expired	(115,000)	0.50
Cancelled	(1,101,190)	1.50
Outstanding and exercisable, January 31, 2023	30,000	1.80
Expired	(10,000)	2.85
Outstanding and exercisable, January 31, 2024	20,000	1.30

There were no additional share purchase options issued during the years ended January 31, 2024 and 2023.

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

Warrants

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

	Number of Warrants	Weighted average exercise price
		\$
Balance, January 31, 2022	17,098,208	0.80
Expired	(3,139,310)	1.20
Balance, January 31, 2023	13,958,898	0.70
Granted	10,400,000	0.12
Expired	(4,897,444)	0.74
Balance, January 31, 2024	19,461,454	0.40

During the year ended January 31, 2024, the Company closed the non-brokered private placement, involving the issuance of 10,000,000 units. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.12 per warrant share until November 29, 2024.

In connection with the first tranche of the offering, the Company paid cash finders' fees of \$20,000 and issued 400,000 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company until November 29, 2024, at a price of \$0.12 per share.

The fair value of the warrants issued during the year ended January 31, 2024 was \$23,084 calculated using the Black-Scholes Option Pricing model using the following assumptions:

	January 31, 2024	January 31, 2023
Risk free interest rate	4.47%	N/A
Expected life of options	1.5 years	N/A
Annualized volatility	359%	N/A
Dividend yield	N/A	N/A
Exercise price	\$0.120	N/A
Share price at measurement date	\$0.060	N/A

There were no additional share purchase warrants issued during the years ended January 31, 2024 and 2023.

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

Warrants (continued)

As at January 31, 2024, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
	\$		
659,264	0.70	March 25, 2024	0.16
1,874,000	0.70	May 31, 2024	0.33
1,637,945	0.70	June 28, 2024	0.41
235,294	1.20	August 20, 2024	0.55
10,400,000	0.12	November 29, 2024	0.83
1,060,000	0.70	December 1, 2024	0.84
1,215,341	0.70	December 23, 2024	0.90
24,120	0.70	December 31, 2024	0.92
1,922,000	0.70	January 31, 2025	1.00
433,490	0.70	March 23, 2025	1.14
19,461,454	0.40		0.75

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those people who have 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. Compensation and transactions are recorded at the exchange amount which are the amounts agreed to by key management and entities over which key management have control or significant influence as follows:

	Years ended January 31,	
	2024	2023
	\$	\$
Management fee	62,500	95,000
Consulting fees	191,000	-
Exploration and evaluation assets, capitalized	-	73,542
Geological consulting	45,000	18,750
Total	298,500	187,292

As at January 31, 2024, the Company owed \$90,635 (January 31, 2023 - \$Nil) to companies controlled by directors and officers.

As at January 31, 2024, the Company owed \$803,592 (January 31, 2023 - \$712,066) to Nexus Metals, a company with certain directors and officers in common.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JANUARY 31, 2024 AND 2023
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13. 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.

14. 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 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 year ended January 31, 2024. The Company is not subject to externally imposed capital requirements.

15. INCOME TAX

A reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2023 – 27%) to the income tax expense (recovery) recorded in the consolidated financial statements is as follows:

	2024	2023
	\$	\$
Loss for the year	(1,120,176)	(2,351,042)
Expected income tax (recovery)	(302,000)	(635,000)
Permanent differences	6,000	78,000
Change in prior year estimates	(1,022,000)	1,120,000
Change in deferred tax assets not recognized	1,318,000	(563,000)
Income tax (recovery)	-	-

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Expressed in Canadian Dollars

The significant components of the Company's deferred tax assets that have not been included in the statement of financial position are as follows:

	2024	2023
	\$	\$
Deferred Tax Assets		
Exploration and evaluation assets	1,434,000	1,414,000
Capital assets	6,000	4,000
Share issue costs deductible in future years	22,000	47,000
Non-capital losses available for future period	6,000,000	4,679,000
Unrecognized deferred tax assets	(7,462,000)	(6,144,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses as at January 31, 2024 that have not been included on the consolidated statement of financial position are as follows:

	Temporary Differences	Expiry Date Range
Exploration and evaluation assets	5,309,274	No expiry date
Capital assets	20,601	No expiry date
Share issue cost	82,470	2025 to 2028
Non-capital losses available for future period	21,470,983	2031 to 2044

16. SUBSEQUENT EVENT

On February 15, 2024, the Company issued a total of 3,600,000 common shares to Belgravia Hartford Capital Inc. in satisfaction of outstanding indebtedness owing to Belgravia Hartford totaling \$180,000. The outstanding indebtedness comprises principal amounts which were previously advanced to the Company for working capital purposes, along with accrued interest (note 9).