



NEXUS GOLD CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED OCTOBER 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
NINE MONTHS ENDED OCTOBER 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

	October 31, 2018	January 31, 2018
ASSETS		
Current		
Cash	\$ 652,986	\$ 53,524
Commodity tax recoverable	145,077	50,764
Prepays	209,522	276,604
Total current assets	1,007,585	380,892
Deposit	15,587	15,587
Reclamation bond (note 3)	52,930	52,930
Exploration and evaluation assets (note 3 and 6)	2,820,553	2,015,446
TOTAL ASSETS	\$ 3,896,655	\$ 2,464,855
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 212,497	\$ 223,733
Due to related parties (note 6)	78,730	113,396
Total current liabilities	291,227	337,129
SHAREHOLDERS' EQUITY		
Share capital (note 5)	15,534,790	11,405,029
Share-based payment reserve (note 5)	1,943,457	1,432,817
Subscriptions received in advance	-	30,000
Deficit	(13,872,819)	(10,740,120)
Total shareholders' equity	3,605,428	2,127,726
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,896,655	\$ 2,464,855

Nature and continuance of operations (note 1)

Commitments (note 9)

Subsequent events (note 5)

Ob behalf of the Board: “Alex Klenman” Director “Warren Rob” 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 October 31,		Nine months ended October 31,	
	2018	2017	2018	2017
EXPENSES				
Consulting fee (note 6)	\$ 162,695	\$ 221,338	\$ 668,728	\$ 434,827
Corporate development	63,014	89,800	1,207,000	180,583
Filing fees	12,317	15,956	38,598	42,775
Foreign exchange loss	725	(43,052)	9,444	37,729
Insurance	1,933	1,800	6,117	5,400
Investor relations	-	20,801	131,935	62,318
Management fees (note 6)	22,500	105,600	125,800	341,000
Marketing	45,250	110,856	220,957	312,239
Office and administration	36,706	88,397	84,348	154,035
Professional fees (note 6)	33,318	27,719	103,399	81,284
Rent	7,506	-	22,484	-
Share-based compensation (note 6)	250,400	-	486,800	4,206
Travel and promotion	1,377	39,729	27,089	158,724
Loss and comprehensive loss for the period	\$ (637,741)	\$ (678,944)	(3,132,699)	\$ (1,815,120)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.10)	\$ (0.11)	\$ (0.10)
Weighted average number of common shares outstanding	38,460,975	13,284,144	27,883,095	12,714,852

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

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
Balance, January 31, 2017	10,171,126	\$ 7,545,819	\$ 1,286,823	\$ 741,100	\$ (8,408,036)	\$ 1,165,706
Shares issued in private placement	2,687,239	2,765,499	-	(741,100)	-	2,024,399
Share issuance costs	-	(110,140)	-	-	-	(110,140)
Share issuance costs – shares	52,805	63,366	-	-	-	63,366
Share issuance costs - warrants	-	(102,040)	102,040	-	-	-
Share-based compensation	-	-	4,206	-	-	4,206
Warrants exercised	1,304,217	1,171,479	(13,197)	-	-	1,158,282
Options exercised	112,500	152,520	(57,520)	-	-	95,000
Shares issued for evaluation and exploration assets	2,500	4,625	-	-	-	4,625
Loss for the period	-	-	-	-	(1,815,120)	(1,815,120)
Balance, October 31, 2017	14,330,387	\$ 11,491,128	\$ 1,322,352	-	\$ (10,223,156)	\$ 2,590,324
Balance, January 31, 2018	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
Stock options exercised	800,000	292,198	(100,198)	-	-	192,000
Share-based compensation	-	-	486,800	-	-	486,800
Loss for the period	-	-	-	-	(3,132,699)	(3,132,699)
Balance, October 31, 2018	38,785,440	\$ 15,534,790	\$ 1,943,457	\$ -	\$ (13,872,819)	\$ 3,605,428

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

	Nine months ended October 31,	
	2018	2017
CASH USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (3,132,699)	\$ (1,815,120)
Share-based compensation	486,800	4,206
Shares issued for services	-	100,000
Foreign exchange gain	11,748	1,066
Change in working capital items:		
Commodity tax recoverable	(94,313)	(37,669)
Prepaid expenses	67,082	(380,101)
Accounts payable and accrued liabilities	(45,902)	(269,115)
Net cash used in operating activities	(2,707,284)	(2,396,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of shares	3,829,301	1,751,537
Share issue costs	(194,950)	(46,774)
Share subscriptions received in advance	(30,000)	-
Loan repayment to related party	-	(112,500)
Proceeds from warrants exercised	312,000	1,161,282
Proceeds from options exercised	192,000	102,500
Net cash provided by financing activities	4,108,351	2,856,045
CASH FLOW USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	(801,605)	(1,313,631)
Exploration and evaluation advances	-	(66,104)
Net cash used in investing activities	(801,605)	(1,379,735)
Change in cash for the period	\$ 599,462	\$ (920,423)
Cash, beginning of the period	\$ 53,524	\$ 1,360,916
Cash, end of period	\$ 652,986	\$ 440,493

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

NEXUS GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NINE MONTHS ENDED OCTOBER 31, 2018
Expressed in Canadian Dollars
Unaudited – prepared by management

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.

	October 31, 2018	January 31, 2018
Deficit	\$ (13,872,819)	\$ (10,740,120)
Working capital	\$ 716,358	\$ 43,763

NEXUS GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements for the year ended January 31, 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 December 23, 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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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. EXPLORATION AND EVALUATION ASSETS

During the nine month period ended October 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
Balance, January 31, 2017	\$ 226,509	\$ 80,253	\$ -	\$ 306,762
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
Total exploration costs	813,416	595,545	246,308	1,655,269
Acquisition costs:				
Cash	18,562	-	18,678	37,240
Shares	4,550	7,000	4,625	16,175
Total acquisition costs	23,112	7,000	23,303	53,415
Total expenditures for the year	836,528	602,545	269,611	1,708,684
Balance, October 31, 2017	1,063,037	682,798	269,611	2,015,446
Deferred exploration costs:				
Assay	-	-	33,675	33,675
Administration	16,086	36,572	26,386	79,044
Drilling	45,098	31,794	163,824	240,716
General field expenses	23,584	7,125	81,467	112,176
Geological	6,132	20,299	110,761	137,192
Travel and accommodation	3,813	13,492	61,798	79,103
Report	3,825	18,825	18,825	41,475
Total exploration costs	98,538	128,107	496,736	723,381
Acquisition costs:				
Cash	-	44,466	22,010	66,476
Shares	-	-	15,250	15,250
Total acquisition costs	-	44,466	37,260	81,726
Total expenditures for the period	98,538	172,573	533,996	805,107
Balance, October 31, 2018	1,161,575	855,371	803,607	2,820,553

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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 March 4, 2019 as amended;
- vi) issue 20,000 common shares on or before March 4, 2019 as amended;
- 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:

	October 31, 2018	January 31, 2018
Trade payables	\$ 182,570	\$ 193,733
Accrued liabilities	29,927	30,000
	<u>\$ 212,497</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 October 31, 2018, the Company:

- i) issued 800,000 common shares pursuant to exercise of 800,000 stock options at a price of \$0.24;
- ii) issued 50,000 common shares pursuant to the acquisition of Rakounga Gold Property (Note 3);
- iii) 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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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

iv) 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.

v) 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.

vi) 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).

Options

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

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
120,000	\$ 1.00	August 8, 2019	0.77
112,500	\$ 1.20	September 17, 2020	1.88
200,000	\$ 0.85	September 6, 2021	2.85
55,000	\$ 1.60	January 24, 2022	3.24
900,000	\$ 0.33	June 14, 2023	4.62
1,200,000	\$ 0.24	September 12, 2023	4.87
2,587,500			

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

	Number of Options	Weighted average exercise price
Balance, January 31, 2017	909,000	\$ 1.08
Exercised	(112,500)	0.84
Expired/Cancelled	(82,500)	1.06
Balance, January 31, 2018	714,000	\$ 1.12
Granted	3,000,000	\$ 0.27
Exercised	(800,000)	\$ 0.24
Expired/Cancelled	(326,500)	\$ 0.96
Outstanding and exercisable, October 31, 2018	2,587,500	\$ 0.42

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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
Balance, January 31, 2017	2,819,246	\$ 0.94
Granted	1,408,455	1.57
Exercised	(1,304,217)	0.89
Expired/Cancelled	(395,283)	1.18
Balance, January 31, 2018	2,528,201	\$ 1.28
Exercised	(260,000)	\$ 1.20
Granted	14,170,142	0.28
Expired	(59,999)	0.75
Balance, October 31, 2018	16,378,344	\$ 0.36

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

Number of shares	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
272,500	\$ 1.25	January 16, 2019	0.21
872,753	\$ 1.80	February 23, 2019	0.32
90,396	\$ 1.25	March 12, 2019	0.36
10,765,479	\$ 0.35	May 25, 2019	0.56
2,928,962	\$ 0.35	June 27, 2019	0.65
442,368	\$ 0.35	July 12, 2019	0.70
696,850	\$ 0.75	August 24, 2019	0.81
43,724	\$ 1.20	October 25, 2019	0.98
265,312	\$ 1.20	October 27, 2019	0.98
16,378,344	\$ 0.38		0.48

The fair value of the compensatory share purchase warrants issued during the period ended October 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:

	October 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

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

- a) management fees of \$125,800 (2017 - \$341,000) to companies controlled by directors and officers of the Company;
- b) geological consulting fees capitalized to mineral properties of \$97,250 (2017 - \$104,900) and consulting fees of \$10,850 (2017 - \$nil) to a director of the Company;
- c) administration fee of \$35,000 (2017 – \$nil) included in Office and Administration to a company of which an officer of the Company is employee;
- d) stock based compensation of \$205,840.

As at October 31, 2018, the Company owed \$78,730 (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 October 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 \$2,685 per month starting from November 1, 2018. The obligation for the period ending January 31, 2019 is as follows:

<u>Fiscal year</u>	<u>Total</u>
2019	\$ 8,055