



**NEXUS GOLD CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**

Expressed in Canadian Dollars

Unaudited, Prepared by Management

Head office and registered and records office address

802-750 West Pender Street  
Vancouver BC, V6C 2T7

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

**NEXUS GOLD CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION  
AS AT OCTOBER 31, 2020 AND 2019**

Expressed in Canadian Dollars

	October 31, 2020	January 31, 2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 609,689	\$ 1,191,574
Commodity tax recoverable	39,801	36,866
Prepays	668,896	318,495
<b>Total current assets</b>	<b>1,318,386</b>	<b>1,546,935</b>
Right of use asset (note 8)	98,334	118,001
Leasehold improvement (note 5)	15,007	18,009
Exploration and evaluation assets (note 4, 10)	4,576,012	3,503,449
<b>TOTAL ASSETS</b>	<b>\$ 6,007,739</b>	<b>\$ 5,186,394</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6)	\$ 288,994	\$ 689,264
Office lease liability (note 8)	26,222	26,222
Flow-through premium liability (note 7)	58,058	95,027
<b>Total current liabilities</b>	<b>373,274</b>	<b>810,513</b>
Office lease liability, long term (note 8)	77,956	94,517
<b>TOTAL LIABILITIES</b>	<b>\$ 451,230</b>	<b>\$ 905,030</b>
<b>EQUITY</b>		
Share capital (note 9)	25,234,397	21,496,815
Share-based payment reserve (note 9)	3,048,932	2,577,204
Deficit	(22,726,820)	(19,792,655)
<b>Total equity</b>	<b>5,556,509</b>	<b>4,281,364</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,007,739</b>	<b>\$ 5,186,394</b>

Nature and continuance of operations (note 1)

Subsequent events (notes 4 and 14)

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

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

**NEXUS GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS**

**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 and 2019**

Expressed in Canadian Dollars

Unaudited, prepared by management

	Three months ended October 31,		Nine months ended October 31,	
	2020	2019	2020	2019
<b>EXPENSES</b>				
Advertising	\$ 42,842	\$ 1,427	\$ 103,002	\$ 47,686
Amortization	1,001	1,001	3,002	1,001
Consulting fees	387,960	295,842	615,172	385,825
Corporate development and advising	96,250	77,240	179,500	389,652
Filing fees	10,367	4,748	38,033	37,905
Foreign exchange loss	13,541	15,714	53,398	32,319
Insurance	4,339	3,882	12,923	16,653
Interest expense (note 8)	2,783	-	8,595	-
Management and directors' fees (note 10)	31,500	6,500	94,500	96,375
Market research and analysis	39,203	27,620	271,087	189,779
Marketing	110,997	25,739	454,798	192,023
Media	152,163	19,091	262,136	22,568
Office and administration (note 10)	17,257	18,110	90,685	71,954
Professional fees	43,534	36,782	114,008	122,186
Project sourcing (note 10)	95,000	21,648	253,000	95,000
Rent (Note 8)	6,641	8,255	19,619	23,336
Share-based compensation (note 9, 10)	130,125	244,750	427,810	372,280
Travel and promotion	516	2,991	1,072	20,046
<b>Loss for the year before other items</b>	<b>\$ 1,186,019</b>	<b>\$ 811,340</b>	<b>\$ 3,002,340</b>	<b>\$ 2,116,588</b>
<b>OTHER ITEMS</b>				
Mineral property recovery	(70,000)	-	59,696	-
Flow-through liability reduction (note 7)	53,122	-	-	-
Gain (loss) on accounts payable written off	2,321	50,944	8,479	4,364
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 1,200,576</b>	<b>\$ 760,396</b>	<b>\$ 2,934,165</b>	<b>\$ 2,112,224</b>
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding	181,403,428	77,589,715	155,059,686	67,436,837

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

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

Expressed in Canadian Dollars.

Unaudited, prepared by management

	Number of shares	Share capital	Share-based payment reserve	Deficit	Total equity
<b>Balance, January 31, 2019</b>	42,285,440	\$ 15,950,239	\$ 1,996,922	\$ (14,500,307)	\$ 3,446,854
Shares issued in private placement	21,908,487	2,337,695	182,116	-	2,519,811
Share issue costs	-	(164,785)	36,765	-	(128,020)
Shares issued for mineral properties	15,141,448	1,548,230	-	-	1,548,230
Units issued for debt	787,500	90,563	-	-	90,563
Shares issued on exercise of stock options	1,600,000	271,886	(111,886)	-	160,000
Share-based compensation	-	-	372,281	-	372,281
Loss for the year	-	-	-	(2,112,224)	(2,112,224)
<b>Balance, October 31, 2019</b>	81,722,875	\$ 20,033,828	\$ 2,476,198	\$ (16,612,531)	\$ 5,897,495
<b>Balance, January 31, 2020</b>	115,098,239	\$ 21,496,815	\$ 2,577,204	\$ (19,792,655)	\$ 4,281,364
Shares issued in private placement	44,454,997	2,222,068	184,701	-	2,406,769
Share issuance costs	-	(174,723)	45,868	-	(128,855)
Shares issued for exploration and evaluation assets	12,200,000	457,750	-	-	457,750
Shares issued in settlement of accounts payable	1,110,790	60,679	-	-	60,679
Shares issued for services	500,000	35,000	-	-	35,000
Shares issued on exercise of stock options	5,080,000	493,151	(186,651)	-	306,500
Shares issued on exercise of warrants	9,195,100	643,657	-	-	643,657
Share-based compensation	-	-	427,810	-	427,810
Loss for the year	-	-	-	(2,934,165)	(2,934,165)
<b>Balance, October 31, 2020</b>	187,639,126	\$ 25,234,397	\$ 3,048,932	\$ (22,726,820)	\$ 5,556,509

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

**NEXUS GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED OCTOBER 31, 2020 and 2019**

Expressed in Canadian Dollars

	Nine months ended October 31,	
	2020	2019
<b>CASH USED IN OPERATING ACTIVITIES</b>		
Loss for the year	\$ (2,934,165)	\$ (2,112,224)
Adjustments for non-cash items:		
Share-based compensation	427,810	372,281
Amortization	3,002	1,001
Changes in working capital items:		
Commodity tax recoverable	(2,935)	(14,303)
Due to related parties	-	(11,852)
Prepaid expenses	(350,401)	(268,355)
Office lease liability	(16,561)	-
Flow-through premium liability	(59,695)	-
Accounts payable and accrued liabilities	(304,591)	187,397
<b>Net cash used in operating activities</b>	<b>(3,237,536)</b>	<b>(1,846,055)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares	2,429,495	2,679,813
Proceeds from options exercised	306,500	-
Proceeds from warrants exercised	643,657	-
Share issue costs	(128,85)	(128,021)
<b>Net cash provided by financing activities</b>	<b>3,250,797</b>	<b>2,551,792</b>
<b>INVESTING ACTIVITIES</b>		
Right of use asset	19,667	-
Leasehold improvement	-	(20,010)
Revenue from exploration and evaluation assets	170,000	-
Exploration and evaluation expenditures	(784,813)	(842,766)
<b>Net cash used in investing activities</b>	<b>(595,146)</b>	<b>(862,776)</b>
<b>Change in cash for the year</b>	<b>(581,885)</b>	<b>(157,039)</b>
<b>Cash, beginning of the year</b>	<b>1,191,574</b>	<b>422,546</b>
<b>Cash, end of year</b>	<b>\$ 609,689</b>	<b>\$ 265,507</b>

**NON-CASH TRANSACTIONS**

Shares issued for mineral properties	\$ 457,750	\$ 1,548,230
Units issued for debt	\$ 60,679	\$ 90,563
Shares issued for services	\$ 35,000	\$ -

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

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Nexus Gold Corp. (the “Company”) incorporated under the Business Corporations Act of British Columbia on May 7, 2009, is a public company listed on the TSX Venture Exchange (the “TSXV”) and trades under the symbol NXS. The Company also trades under the ticker symbol “NXXGF” in the United States. The address of the Company’s corporate office and its principal place of business is 802 - 750 West Pender Street, Vancouver, BC.

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

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

The Company does not generate revenues or cash flow from operations to fund its activities and relies on financing raised from the issuance of shares and the support of creditors and related parties.

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

These factors form a material uncertainty that may cast significant doubt upon the entity's ability to continue as a going concern.

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

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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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, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements and should be read in conjunction with those audited combined financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on December 16, 2020.

**Basis of presentation**

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

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

During the period ended October 31, 2020, the COVID-19 pandemic has caused significant and negative impact to the global financial markets. The Company's exploration activities in West Africa and Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

**Principles of consolidation**

These condensed consolidated interim 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.

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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**2. BASIS OF PREPARATION (continued)**

**Significant accounting estimates and judgments**

The preparation of these condensed consolidated interim 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.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Fair values**

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

The fair value hierarchy has the following levels:

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

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

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

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

**Financial instrument risk exposure and risk management**

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

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

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Financial instrument risk exposure and risk management (continued)**

(a) Credit risk

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

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

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

(b) Liquidity risk

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

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

(c) Market risk

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

i. Interest rate risk

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

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Financial instrument risk exposure and risk management (continued)**

ii. Foreign currency risk

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

iii. Commodity price risk

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

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

**4. EXPLORATION AND EVALUATION ASSETS**

During the year ended January 31, 2020, the Company incurred the following exploration and evaluation costs related to the properties.

	Niangouela Burkina Faso	Bouboulou Burkina Faso	Rakounga Burkina Faso	Dakuli II Burkina Faso	Manzour Dayere Burkina Faso	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Black Ridge and Bauline NL, Canada	TOTAL
<b>Balance, January 31, 2019</b>	<b>\$ 1,174,849</b>	<b>\$ 852,716</b>	<b>\$ 889,000</b>	<b>\$ 9,162</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,925,727</b>
Deferred exploration costs:										
Administration	13,680	2,535	12,874	113,671	15,426	5,546	3,014	-	-	166,746
Assay	-	-	-	39,037	-	3,928	2,253	-	-	45,218
Drilling	-	-	-	2,593	-	-	2,000	-	-	4,593
General field	203	-	426	14,692	744	10	3,799	-	-	19,874
Geological	-	5,200	5,330	44,157	419	64,427	25,775	1,875	1,875	149,058
Report	-	-	-	-	-	1,785	-	-	-	1,785
Travel and accommodation	575	-	5,579	35,499	1,038	3,779	15,822	-	-	62,292
<b>Total exploration costs</b>	<b>14,458</b>	<b>7,735</b>	<b>24,209</b>	<b>249,649</b>	<b>17,627</b>	<b>79,475</b>	<b>52,663</b>	<b>1,875</b>	<b>1,875</b>	<b>449,566</b>
Acquisition costs:										
Cash	172,065	165,653	43,648	1,278	4,510	150,000	-	-	-	562,154
Exploration advances transferred to exploration and evaluation assets	-	-	-	-	-	-	385,000	-	-	385,000
Shares	24,000	30,000	25,000	-	-	559,000	-	396,000	539,230	1,933,230
<b>Total acquisition costs</b>	<b>196,065</b>	<b>195,653</b>	<b>68,648</b>	<b>1,278</b>	<b>4,510</b>	<b>709,000</b>	<b>385,000</b>	<b>396,000</b>	<b>539,230</b>	<b>2,495,384</b>
<b>Total expenditures</b>	<b>210,523</b>	<b>203,388</b>	<b>92,857</b>	<b>250,927</b>	<b>22,137</b>	<b>788,475</b>	<b>437,663</b>	<b>397,875</b>	<b>541,105</b>	<b>2,944,950</b>
Exploration and evaluation assets written off	(1,385,372)	-	(951,856)	-	-	-	-	-	-	(2,337,228)
Option payments received	-	-	(30,000)	-	-	-	-	-	-	(30,000)
<b>Balance, January 31, 2020</b>	<b>\$ -</b>	<b>\$ 1,056,104</b>	<b>\$ 1</b>	<b>\$ 260,089</b>	<b>\$ 22,137</b>	<b>\$ 788,475</b>	<b>\$ 437,663</b>	<b>\$ 397,875</b>	<b>\$ 541,105</b>	<b>\$ 3,503,449</b>

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
Expressed in Canadian Dollars

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

During the nine months ended October 31, 2020, 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	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	TOTAL
<b>Balance, January 31, 2020</b>	<b>\$ 1,056,104</b>	<b>\$ 1</b>	<b>\$ 260,089</b>	<b>\$ 22,137</b>	<b>\$ 788,475</b>	<b>\$ 437,663</b>	<b>\$ 397,875</b>	<b>\$ -</b>	<b>\$ 541,105</b>	<b>\$ 3,503,449</b>
Deferred exploration costs:										
Administration	19,951	66,745	37,590	13,640	18,511	-	-	-	-	156,437
Assay	-	-	399	-	66,199	-	-	-	764	67,362
Drilling	-	-	-	-	193,955	-	-	-	-	193,955
General field	751	3,060	520	-	36,390	-	-	-	-	40,721
Geological	2,014	5,164	5,703	1,800	110,397	19,292	5,150	-	18,917	168,437
Report	7,013	-	1,275	2,428	3,328	-	-	5,332	-	19,376
Travel and accommodation	1,765	7,524	4,587	1,531	1,858	-	-	-	-	17,265
Total exploration costs	31,494	82,493	50,074	19,399	430,638	19,292	5,150	5,332	19,681	663,553
Acquisition costs:										
Cash	1,577	115,683	-	-	4,000	-	-	-	-	121,260
Shares	-	27,500	-	-	26,000	-	-	404,250	-	457,750
Total acquisition costs	1,577	143,183	-	-	30,000	-	-	404,250	-	579,010
Total expenditures	33,071	225,676	50,074	19,399	460,638	19,292	5,150	409,582	19,681	1,242,563
Recovery	-	(70,000)	-	-	-	-	-	(100,000)	-	(170,000)
<b>Balance, October 31, 2020</b>	<b>\$ 1,089,175</b>	<b>\$ 155,677</b>	<b>\$ 310,163</b>	<b>\$ 41,536</b>	<b>\$ 1,249,113</b>	<b>\$ 456,955</b>	<b>\$ 403,025</b>	<b>\$ 309,582</b>	<b>\$ 560,786</b>	<b>\$ 4,576,012</b>

**NEXUS GOLD CORP.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**Expressed in Canadian Dollars**

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

**Properties in West Africa**

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis (Note 9) and all references to the number of shares have been updated accordingly in the condensed consolidated interim financial statements. Management and optionors of properties described below agreed not to amend the number of shares to be issued per the option agreements, and the number of shares to be issued will be as stated per original agreements for all properties in West Africa.

**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 agreement was subsequently amended in February 2020.

According to the amended agreement, the Company has an option to acquire up to 75% interest in the property, in consideration for cash payments of US\$500,000 and the issuance of 900,000 common shares of the Company, over a period of three years as follows:

- i) pay US\$10,000 (paid) and issue 50,000 shares (issued at a value of \$2,500);
- ii) pay US\$35,000 (paid) and issue 100,000 shares (issued at a value of \$7,000);
- iii) pay US\$125,000 (paid) and issue 250,000 shares on or before April 5, 2019 (issued at a value of \$30,000);
- iv) issue 250,000 shares on or before May 31, 2020 as amended;
- v) pay US\$150,000 on or before June 30, 2020 as amended;
- vi) issue 250,000 shares on or before August 31, 2020 as amended;
- vii) pay US\$180,000 on or before November 30, 2020 as amended.

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 agreement was amended in August 2019.

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

**Rakounga Gold Property, Burkina Faso, West Africa (continued)**

According to the terms of the amended agreement, the Company will have an option to acquire a 90% interest in the property, in consideration for the following cash payments and the issuance of common shares of Nexus as follows:

- i) pay US\$15,000 (paid) and issue 2,500 shares (issued at a value of \$4,625) upon signing of a definitive agreement;
- ii) pay US\$15,000 (paid) and issue 50,000 shares on or before August 31, 2018 (issued at a value of \$15,250);
- iii) pay US \$25,000 (paid) and issue 250,000 shares on or before December 13, 2019, as amended (issued at a value of \$25,000);
- iv) pay US\$70,000 (paid) on or before April 30, 2020, as amended;
- v) issue 250,000 shares (issued) on or before August 30, 2020;
- vi) issue 250,000 shares on or before August 30, 2021, as amended;
- vii) pay US\$125,000 on or before November 30, 2021, as amended and
- viii) pay US\$150,000 on or before November 30, 2024, as amended.

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.

**Rakounga Gold Property, Burkina Faso, West Africa**  
**Option out agreement**

On December 2, 2019, as amended on March 2, 2020, the Company entered into an agreement to grant 90% of the interest in Rakounga property to an unrelated party (“Optionee”) in consideration for completing a financing or going public transaction before December 13, 2020, and making the following payments:

- i) paying \$30,000 on December 2, 2019(received);
- ii) paying \$70,000 on or before April 30, 2020 (received);
- iii) paying \$150,000 on or before December 2, 2021;
- iv) paying \$250,000 on or before December 2, 2022;
- v) paying \$500,000 on or before December 2, 2023

incurring the following exploration expenditures:

- i) \$100,000 on or before December 2, 2021;
- ii) an additional \$150,000 on or before December 2, 2022;
- iii) an additional \$500,000 on or before December 2, 2023 and
- iv) an additional \$500,000 on or before December 2, 2024.

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

**Rakounga Gold Property, Burkina Faso, West Africa (continued)**

At any time, following exercise of the option, and until November 30, 2025, subject to the terms of the underlying option agreement, the Optionee will have the right to acquire the remaining 10% interest in the Property in consideration for a one-time cash payment of \$1,000,000.

During the year ended January 31, 2020 management has considered whether the costs capitalized for Rakounga property are 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 the capitalized costs are not recoverable and as such the related capitalized exploration and evaluation costs have been written-down to \$1, resulting in a write-off of exploration and evaluation assets of \$951,856.

**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.

**Manzour Dayere, Burkina Faso, West Africa**

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.

**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 (paid) and issue 30,000 common shares (issued at a value of \$2,700) on closing;
- ii) pay US\$15,000 (paid) and issue 70,000 common shares (issued at a value of \$4,550) on or before November 30, 2017;
- iii) pay US\$120,000 (paid) and issue 200,000 common shares (issued at a value of \$24,000) on or before March 4, 2019 as amended and
- iv) pay US\$220,000 and issue 300,000 common shares on or before March 31, 2020 as amended.

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%.

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

**Niangouela Property, Burkina Faso, West Africa (continued)**

During the year ended January 31, 2020, the Company decided not to pursue the property due to poor exploration results and the high cost of future option payments, resulting in a write-off of exploration and evaluation assets of \$1,385,372.

**Properties in Canada**

**New Pilot Project**

In January 2019, the Company issued 3,500,000 shares valued at \$385,000 to a company with a director in common to acquire a 100% interest in New Pilot Project located in British Columbia, Canada. The acquisition agreement was finalized in February 2019 and as a result, \$385,000 was reclassified from exploration advance to acquisition costs in fiscal 2020.

**McKenzie Property**

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

**Gummy Bear**

On May 22, 2019, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in the Gummy Bear claims located in Newfoundland and Labrador, Canada in consideration of the issuance of 4,000,000 (issued) common shares valued at \$360,000. The Company issued 400,000 common shares valued at \$36,000 to a finder of the property.

The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for \$1,000,000.

**Black Ridge and Bauline**

On June 17, 2019, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in the Black Ridge and Bauline claims located in Newfoundland and Labrador, Canada in consideration of the issuance of 5,500,000 (issued) common shares valued at \$495,000. The Company issued 491,448 common shares valued at \$44,230 to a finder of the property.

The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for \$1,000,000.

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

**Dorset Gold Project**

On March 6, 2020, the Company entered into a mineral property acquisition agreement pursuant to which the Company will acquire the right to earn up to 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada. Under the terms of the agreement, in order to acquire interest in the property the Company has to issue 11,000,000 shares (issued) and also issue 550,000 shares (issued) to finders valued at \$404,250;

On April 22, 2020, the Company entered into a mineral property option agreement pursuant to which the Company granted the right to earn up to 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada, to Leocor Ventures Inc., a company with the directors and officers in common. Under the terms of the agreement, the optionee in order to acquire interest in the property has to make the following payments:

- i) \$100,000 on or before April 23, 2020(paid);
- ii) \$50,000 on or before April 23, 2021;
- iii) \$100,000 on or before April 23, 2022;
- iv) \$400,000 on or before April 23, 2023 and
- v) \$600,000 on or before April 23, 2024.

and incur the following exploration expenditures of not less than \$1,500,000, as follows:

- i) \$150,000 on or before April 23, 2022;
- ii) an additional \$200,000, on or before April 23, 2023;
- iii) an additional \$400,000, on or before April 23, 2024;
- iv) an additional \$750,000, on or before April 23, 2025;

**Dorset Gold Project**  
**Option out agreement**

On April 22, 2020, the Company entered into an agreement to grant 100% of the interest in Dorset Gold property to an unrelated party in consideration of the following:  
making cash payments totalling \$1,250,000, as follows:

- i) \$100,000 (received) on the closing date;
- ii) \$50,000, on or before April 22, 2021;
- iii) an additional \$100,000, on or before April 22, 2022;
- iv) an additional \$400,000, on or before April 22, 2023; and
- v) an additional \$600,000, on or before April 22, 2024;

and by incurring Expenditures of not less than \$1,500,000, as follows:

- i) \$150,000, on or before the April 22, 2022;
- ii) an additional \$200,000, on or before April 22, 2023;
- iii) an additional \$400,000, on or before April 22, 2024; and
- iv) an additional \$750,000, on or before April 22, 2025.

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**5. LEASEHOLD IMPROVEMENTS**

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 October 31, 2020 are as follows:

	Cost	Accumulated amortization	Net book value
Leasehold improvements, January 31, 2020	\$ 20,010	\$ 2,001	\$ 18,009
Amortization	-	3,002	\$ 3,002
Leasehold improvements, October 31, 2020	\$ 20,010	\$ 5,003	\$ 15,007

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

	October 31, 2020	January 31, 2020
Trade payables	\$ 225,009	\$ 632,564
Accrued liabilities	63,985	56,700
	<u>\$ 288,994</u>	<u>\$ 689,264</u>

During the nine months ended October 31, 2020 the Company settled payables in the amount of \$59,850 by issuing 1,110,790 shares valued at fair market value on the date of issuance at \$60,679. During the nine months ended October 31, 2020 the Company wrote off \$6,158 in payables.

During the year ended January 31, 2020 the Company settled payables in the amount of \$140,563 by issuing shares valued at fair market value on the date of issuance at \$163,438 resulting in a loss of \$22,875. In addition, during the year ended January 31, 2020 the Company wrote off \$58,094 of payables. The net result of the settlement and write-off was a net gain on settlement of accounts payables of \$35,219 which is recognized in the consolidated statement of loss and comprehensive loss.

**7. FLOW-THROUGH LIABILITY**

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

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**7. FLOW-THROUGH LIABILITY (continued)**

During the year ended January 31, 2020, the Company received \$771,350 (2019: \$nil) from the issuance of flow-through units (Note 9). During the nine months ended October 31, 2020, the Company received \$250,000 from the issuance of flow-through units (Note 9). These amounts will not be available to the Company for future deduction from taxable income as the Company renounced \$1,021,350 in exploration expenditures to the subscribers (2019: \$nil).

The flow-through share premium is an amount reflecting the higher value that flow-through shares were issued to subscribers above the value of non-flow-through shares; and is recorded as a liability until the respective flow-through expenditure commitment has been incurred. During the year ended January 31, 2020 the Company recognized \$113,818 as a flow-through premium liability related to issuances of flow-through shares in fiscal 2020. During the nine months ended October 31, 2020 the Company recognized \$22,727 as a flow-through premium liability related to issuances of flow-through shares during this period.

During the year ended January 31, 2020, the Company incurred \$127,327 and during the nine months ended October 31, 2020 \$459,752 of eligible flow-through expenditures, representing 57% of the total \$1,021,350 flow-through share expenditure commitment. This reduced the premium liability by \$18,793 during the year ended January 31, 2020 and by \$59,696 during the nine months ended October 31, 2020 which was recognized as other income for the period and resulted in the balance of Flow Through premium liability of \$58,058 as at October 31, 2020.

**8. 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 nine months ended October 31, 2020 \$19,667 (2019 - \$6,556) was recorded in rent expense for amortization of this asset and \$8,511 (2019 - \$3,235) in interest.

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 October 31, 2020. 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 October 31, 2020 and January 31, 2020:

<b>Minimum lease payments:</b>	
Fiscal year 2020	\$ 8,357
Fiscal years 2021-2024	117,000
<b>Total future minimum lease payments</b>	<b>125,357</b>
Less: Imputed interest	(21,179)
<b>Total lease liability</b>	<b>104,178</b>
Less: Current portion	\$ 26,222
Long-term portion of future minimum lease payments	\$ 77,956

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

**Share Capital**

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis, and all references to share amounts have been updated accordingly.

**During the nine months ended October 31, 2020:**

- i) On March 4, 2020 the Company issued 630,000 shares to settle accounts payable of \$31,500;
- ii) On March 6, 2020, the Company entered into a mineral property acquisition agreement pursuant to which the Company acquired the right to earn up to 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada. Under the terms of the agreement the Company issued 11,000,000 shares valued at \$385,000 and 550,000 shares valued at \$19,250 to finders;
- iii) On March 23, 2020 the Company closed a non-brokered private placement through the issuance of 8,980,000 units at a price of \$0.05 per unit for gross proceeds of \$449,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of five years. The residual value of the warrants issued in the offering was estimated to be \$134,700. No finders' fees or commissions were paid in connection with completion of the Offering.
- iv) On March 27, 2020 the Company issued 450,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$11,768 was deducted from share-based payment reserve;
- v) On April 9, 2020 the Company closed a non-brokered private placement through the issuance of 5,000,000 units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of two years. The residual value of the warrants issued in the offering was estimated to be \$50,000. No finders' fees or commissions were paid in connection with completion of the Offering.
- vi) In May 2020 the Company issued 315,000 shares to settle accounts payable of \$12,600 and 250,000 shares for services valued at \$16,250;
- vii) In May 2020 the Company issued 1,150,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$32,535 was deducted from share-based payment reserve;
- viii) In May 2020 the Company issued 400,000 shares for McKenzie mineral project valued at \$26,000;

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

**Share Capital (continued)**

- ix) In June 2020 the Company closed a non-brokered private placement through the issuance of 16,150,000 non-flow-through units at a price of \$0.05 per unit, and 4,085,456 flow-through units at a price of \$0.055 per unit. The Company raised gross proceeds of \$1,032,200. \$20,427 was allocated to flow through liability related the Company's obligation to spend the funds on exploration of mineral properties in Canada (note 7). Each non-flow-through unit, and each flow-through unit, consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of three years. The Company paid finders' fees of \$44,850, and issued 824,182 warrants valued at \$31,272, to certain parties who have assisted the Company by introducing subscribers to the placement. The finders' warrants are exercisable at \$0.07 per warrant for a period of three years. The residual value of the warrants issued in the offering was estimated to be \$nil;
- x) In July 2020 the Company issued 1,400,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$43,613 was deducted from share-based payment reserve;
- xi) In July 2020 the Company issued 1,100,000 shares on exercise of warrants at \$0.07 per warrant;
- xii) In July 2020 the Company closed a non-brokered private placement through the issuance of 3,360,000 non-flow-through units at a price of \$0.05 per unit, and 460,000 flow-through units at a price of \$0.055 per unit. The Company raised gross proceeds of \$193,300. \$2,300 was allocated to flow through liability related the Company's obligation to spend the funds on exploration of mineral properties in Canada (note 7). Each non-flow-through unit, and each flow-through unit, consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of three years. The Company paid finders' fees of \$nil. The residual value of the warrants issued in the offering was estimated to be \$nil;
- xiii) In August 2020 the Company closed a non-brokered private placement through the issuance of 4,066,600 units at a price of \$0.075 per unit, for gross proceeds of \$304,995. 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 \$0.12 per share until August 4, 2023. The Company paid finders' fees of \$nil. The residual value of the warrants issued in the offering was estimated to be \$nil;

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

**Share Capital (continued)**

- xiv) In August 2020 the Company closed a non-brokered private placement through the issuance of 2,352,941 units at a price of \$0.085 per unit for gross proceeds of \$200,000. Each unit consists of one common share of the Company, and one common share purchase warrant exercisable to acquire an additional common share of the Company at a price of \$0.12 until August 20, 2024. The residual value of the warrants issued in the offering was estimated to be \$nil. The Company paid \$nil in finders' fees and issued 272,000 warrants valued at \$14,596 to certain parties who assisted the Company by introducing subscribers to the placement. The warrants are exercisable at \$0.12 for a period of three years.
- xv) On August 25, 2020 the Company issued 250,000 shares for Rakounga mineral property valued at \$27,500;
- xvi) In August 2020 the Company issued 165,790 shares to settle accounts payable of \$15,750 and 250,000 for services valued at \$18,750;
- xvii) In August and September 2020, the Company issued 8,095,100 shares on exercise of warrants at \$0.07 per warrant;
- xviii) In August, September and October 2020, the Company issued 2,080,000 shares on exercise of stock options at \$0.05 and \$0.10 per option. The fair value of the options of \$97,735 was deducted from share-based payment reserve;

**During the year ended January 31, 2020:**

- i) In February 2019, the Company issued 4,300,000 shares for McKenzie Property (note 4);
- ii) On February 21, 2019 the Company closed the first tranche and on March 19, 2019 the second tranche of a non-brokered private placement of total of 13,237,478 units, at a price of \$0.115 per unit, for gross proceeds of \$1,522,310. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.18 per share until March 19, 2021. The residual value of the warrants issued in the offering was estimated to be \$nil.
- iii) On March 19, 2019 the Company closed a non-brokered private placement of 1,431,999 flow-through units, at a price of \$0.15 per unit, for gross proceeds of \$214,800. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.20 per share until March 21, 2021. The residual value of the warrants issued in the offering was estimated to be \$nil.
- iv) On March 21, 2019 the Company issued 787,500 units to settle debt of \$90,563. Each unit consists of one common share and warrant. Each warrant entitles the holder to acquire 1 additional common share at \$0.18 for a period of two years. The value of the warrants was estimated to be \$nil.
- v) On March 25, 2019 the Company issued 200,000 shares pursuant to acquisition of Niangouela Property (note 4);

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

**Share Capital (continued)**

- vi) On March 25, 2019 the Company issued 250,000 shares pursuant to acquisition of Bouboulou Property (note 4);
- vii) Issued 4,400,000 shares for Gummy Bear property (Note 4);
- viii) Issued 5,991,448 shares for Black Ridge and Bauline property (Note 4);
- ix) On May 30, 2019 the Company closed a non-brokered private placement of total of 1,875,676 units, at a price of \$0.115 per unit, for gross proceeds of \$215,703. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.18 per share until May 30, 2021;
- x) On May 30, 2019 the Company closed a non-brokered private placement of 613,334 flow-through units, at a price of \$0.15 per unit, for gross proceeds of \$92,000. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.20 per share until May 30, 2021. The residual value of the warrants was estimated at \$87,116 and was allocated to share-based payment reserve;  
In connection with completion of the offering the Company paid \$26,196 and issued
  - 285,130 finders' warrants valued at \$16,867 and exercisable at \$0.18 until February 26, 2021;
  - 191,840 finders' warrants valued at \$9,906 and exercisable at \$0.18 until March 19, 2021;
  - 143,200 finders' warrants valued at \$7,395 and exercisable at \$0.20 until March 19, 2021;
  - 20,313 finders' warrants valued at \$523 and exercisable at \$0.18 until May 30, 2021; and
  - 61,333 finders' warrants valued at \$1,465 and exercisable at \$0.20 until May 30, 2019.
- xii) In August and September 2019 1,600,000 stock options were exercised at a price of \$0.10. The fair value of the options of \$111,886 was deducted from share-based payment reserve;
- xiii) On October 7, 2019 the Company closed a non-brokered private placement of 4,750,000 units at a price of \$0.10 per unit, for gross proceeds of \$475,000. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.18 per share until October 7, 2022. The residual value of the warrants issued with units was estimated at \$95,000 and was allocated to share-based payment reserve;
- xiv) issued 250,000 shares as pursuant to the acquisition of Rakounga Gold property (Note 4);

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

**Share Capital (continued)**

- xv) On December 23, 2019 the Company closed an initial tranche and on January 31, 2020 final tranche of its non-brokered private placement through the issuance of 23,229,000 non-flow-through units at a price of \$0.05 per unit, and 8,446,364 flow-through units at a price of \$0.055 per unit. The Company raised gross proceeds of \$1,626,000. Each non-flow-through unit, and each flow-through unit, consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of five years. The Company paid finders' fees of \$60,803, and issued 1,734,700 warrants valued at \$68,093, to certain parties who have assisted the Company by introducing subscribers to the placement. The finders' warrants are exercisable at \$0.07 per warrant for a period of five years. The residual value of the warrants issued in the offering was estimated to be \$nil.
- xvi) On January 6, 2020, the Company issued 1,000,000 units to settle debt of \$50,000 to an unrelated party. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.07 for a period of five years. The value of the warrants issued was estimated to be \$nil.
- xvii) On January 14, 2020, 450,000 stock options were exercised at a price of \$0.05. The fair value of the options of \$16,727 was deducted from 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 \$0.05. The exercise price of options granted under the Plan may not be less than the market value of the Company's common shares on the date of grant. Options granted under the Plan have a maximum life of ten years and vest on the date of grant or over periods determined by management. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3-month period.

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

**Options (continued)**

At October 31, 2020, the Company had the following share purchase options outstanding:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
120,000	\$ 0.05	April 28, 2021	0.49
25,000	\$ 0.85	September 6, 2021	0.85
1,150,000	\$ 0.05	March 22, 2022	1.33
1,250,000	\$ 0.075	July 3, 2022	1.67
1,500,000	\$ 0.33	October 1, 2022	1.92
900,000	\$ 0.33	June 14, 2023	2.62
500,000	\$ 0.105	August 14, 2023	2.79
1,200,000	\$ 0.24	September 12, 2023	2.87
200,000	\$ 0.11	November 16, 2023	3.04
1,300,000	\$ 0.13	February 28, 2024	3.33
1,400,000	\$ 0.10	August 13, 2024	3.79
1,000,000	\$ 0.10	July 3, 2025	4.67
<b>10,545,000</b>			<b>2.72</b>

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

	Number of Options	Weighted average exercise price
<b>Balance, January 31, 2019</b>	2,787,500	\$ 0.40
Granted	6,250,000	0.09
Expired	(120,000)	1.00
Exercised	(2,050,000)	0.10
<b>Outstanding and exercisable, January 31, 2020</b>	6,867,500	\$ 0.21
Granted	9,800,000	0.07
Exercised	(5,080,000)	0.06
Expired	(112,500)	1.20
<b>Cancelled</b>	(930,000)	0.30
<b>Outstanding and exercisable, October 31, 2020</b>	10,545,000	\$ 0.13

The fair value of the compensatory share purchase options issued during the nine months ended October 31, 2020 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price.

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

**Options (continued)**

The weighted average inputs used in the measurement of fair value at grant date of the share purchase options are:

	October 31, 2020	October 31, 2019
Risk free interest rate	0.62%	1.38%
Expected life of options	2.54 year	5 year
Annualized volatility	105%	100%
Dividend yield	0%	0%
Exercise price	\$ 0.068	\$ 0.11
Share price at measurement date	\$ 0.073	\$ 0.10

**Warrants**

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

	Number of Warrants	Weighted average exercise price
<b>Balance, January 31, 2019</b>	16,062,494	\$ 0.36
Granted	57,562,412	0.11
Expired	(6,048,928)	0.56
<b>Balance, January 31, 2020</b>	67,575,978	\$ 0.13
Granted	45,551,179	0.08
Expired	(10,013,566)	\$ 0.25
Exercised	(9,195,100)	0.07
<b>Balance, October 31, 2020</b>	93,918,491	\$ 0.10

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

**Warrants (continued)**

As at October 31, 2020, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
10,030,043	\$ 0.18	February 26, 2021	0.32
5,259,604	\$ 0.20	March 19, 2021	0.38
787,500	\$ 0.18	March 21, 2021	0.38
1,895,989	\$ 0.18	May 30, 2021	0.58
674,667	\$ 0.20	May 30, 2021	0.58
5,000,000	\$ 0.07	April 9, 2022	1.44
4,750,000	\$ 0.15	October 7, 2022	1.93
12,666,000	\$ 0.07	June 3, 2023	2.59
2,723,638	\$ 0.07	June 19, 2023	2.65
3,670,000	\$ 0.07	June 26, 2023	2.65
3,360,000	\$ 0.07	July 1, 2023	2.67
460,000	\$ 0.07	July 14, 2023	2.70
4,338,600	\$ 0.12	August 4, 2023	2.76
2,352,941	\$ 0.12	August 20, 2024	3.84
12,153,409	\$ 0.07	December 23, 2024	4.15
241,200	\$ 0.07	December 31, 2024	4.17
19,220,000	\$ 0.07	January 31, 2025	4.25
4,334,900	\$ 0.07	March 23, 2025	4.39
93,918,491	\$ 0.10		2.73

The fair value of the compensatory share purchase is 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 compensatory share purchase warrants are:

	October 31, 2020	October 31, 2019
Risk free interest rate	0.57	1.91%
Expected life of warrants	3 years	1 year
Annualized volatility	106%	83%
Dividend yield	-	0%
Exercise price	\$ 0.08	\$ 0.26
Share price at measurement date	\$ 0.07	\$ 0.12

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

**Warrants (continued)**

During the year ended January 31, 2020, the expiry date of an aggregate of 10,013,566 previously issued common share purchase warrants exercisable at \$0.25 was extended to May 25, 2020.

During the year ended January 31, 2020, the Company allocated a total residual value of \$182,116 related to warrants issued within units in private placements to share-based payment reserve.

**10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors. 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:

	For the nine months ended	
	2020	2019
Management fees	\$ 67,500	\$ 67,500
Office and administration	45,000	45,000
Exploration and evaluation assets, capitalized	82,976	54,700
Geological consulting	-	23,352
Directors' fee	27,000	-
Share-based compensation	58,550	109,285
<b>Total</b>	<b>\$ 281,026</b>	<b>\$ 299,837</b>

As at October 31, 2020, the Company owed \$nil (January 31, 2020 - \$nil) to companies controlled by directors and officers.

**11. SEGMENTED INFORMATION**

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

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**12. 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 nine months ended October 31, 2020. The Company is not subject to externally imposed capital requirements.

**14. SUBSEQUENT EVENTS**

Subsequent to the period ended October 31, 2020, the Company closed an initial tranche of a non-brokered private placement through the issuance of 10,369,764 units at a price of \$0.055 per unit for gross proceeds of \$570,337. Each unit consists of one common share of the Company, and one-half-of-one common share purchase warrant exercisable to acquire an additional common share of the Company at a price of \$0.075 until November 30, 2022.