



Unaudited Condensed Consolidated Interim Financial Statements of

NxGold Ltd.

For the three months ended March 31, 2018

NXGOLD LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed In Canadian Dollars)
AS AT

	Note	March 31, 2018	December 31, 2017
ASSETS			
Current			
Cash		\$ 816,055	\$ 1,298,888
Accounts receivable		134,443	41,731
Available for sale securities	5	621,136	898,128
Fuel inventory		77,997	77,997
Deposits	4	7,500	1,491,150
		1,657,131	3,807,894
Non-Current			
Equipment	6	42,587	45,060
Exploration and evaluation assets	7	8,943,371	1,938,429
TOTAL ASSETS		\$ 10,643,089	\$ 5,791,383
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 213,937	\$ 136,387
TOTAL LIABILITIES		\$ 213,937	\$ 136,387
EQUITY			
Share capital	8	13,707,096	8,371,896
Share option reserve	8	1,614,661	1,520,904
Accumulated other comprehensive income		490,397	767,389
Deficit		(5,383,002)	(5,005,193)
TOTAL EQUITY		10,429,152	5,654,996
TOTAL LIABILITIES AND EQUITY		\$ 10,643,089	\$ 5,791,383

Nature of business (Note 1)
Subsequent Events (Note 14)

The accompanying notes are an integral part of the condensed consolidated interim financial statements
These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on
May 22, 2018

“Leigh Curyer”
Leigh Curyer, Director

“Trevor Thiele”
Trevor Thiele, Director

NXGOLD LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed In Canadian Dollars)
For the three month ended

	Note	March 31, 2018	April 30, 2017
Share-based compensation	8	\$ 81,417	\$ 693,297
Salaries and director fees		192,918	180,259
Professional fees		24,068	21,142
Investor relations		8,644	-
Office and other		50,569	35,446
Travel		23,521	8,396
Loss before other items		(381,137)	(938,540)
Foreign exchange gain		49	-
Interest income		3,279	8,075
Loss		(377,809)	(930,465)
Unrealized loss on available for sale securities	5	(276,992)	(173,446)
Comprehensive loss		\$ (654,801)	\$ (1,103,911)
Loss per common share – basic and diluted		\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted		52,637,810	37,101,035

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

NXGOLD LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed In Canadian Dollars)

	Note	Common shares		Share subscription receivable	Reserves	Accumulated other comprehensive income	Accumulated deficit	Total
		Shares	Amount					
			\$	\$	\$	\$	\$	\$
Balance, January 31, 2017		37,033,043	8,065,371	(25,000)	247,284	868,090	(2,952,971)	6,202,774
Private placement		-	-	25,000	-	-	-	25,000
Exercise of warrants		314,100	18,525	-	-	-	-	18,525
Share-based compensation		-	-	-	727,363	-	-	727,363
Unrealized loss on available-for-sale securities		-	-	-	-	(173,446)	-	(173,446)
Net loss		-	-	-	-	-	(930,465)	(930,465)
Balance, April 30, 2017		37,347,143	8,083,896	-	974,647	694,644	(3,883,436)	5,869,751
Balance, December 31, 2017		38,147,143	8,371,896	-	1,520,904	767,389	(5,005,193)	5,654,996
Shares issued to acquire Mt. Roe Limited	4	19,760,000	5,335,200	-	-	-	-	5,335,200
Share-based compensation	8	-	-	-	93,757	-	-	93,757
Unrealized loss on available-for-sale securities	5	-	-	-	-	(276,992)	-	(276,992)
Net loss		-	-	-	-	-	(377,809)	(377,809)
Balance, March 31, 2018		57,907,143	13,707,096	-	1,614,661	490,397	(5,383,002)	10,429,152

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

NXGOLD LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed In Canadian Dollars)
For the three months ended

	March 31, 2018	April 30, 2017
Cash flows from (used in) operating activities		
Loss for the period	\$ (377,809)	\$ (930,465)
Items not involving cash:		
Share-based payments	81,417	693,297
Depreciation expense	2,473	168
Changes in non-cash working capital		
Account receivable	5,431	(3,829)
Deposits	-	(3,933)
Accounts payable and accrued liabilities	59,706	(41,836)
	\$ (228,782)	\$ (286,598)
Cash flows used in investing activities		
Acquisition of Roe Gold Limited, net of cash acquired	\$ (39,404)	\$ -
Additions to exploration and evaluation assets	(214,648)	(274,886)
	\$ (254,051)	\$ (274,886)
Cash flows provided by financing activities		
Share issued	\$ -	\$ 25,000
Proceeds from the exercise of warrants	-	18,525
	\$ -	\$ 43,525
Change in cash	\$ (482,833)	\$ (517,959)
Cash, beginning of period	1,298,888	5,217,346
Cash, end of period	\$ 816,055	\$ 4,699,387

Supplemental cash flow information (Note 10)

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

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017

1. NATURE OF BUSINESS

NxGold Ltd. (the “Company” or “NxGold”) was incorporated under the *Business Corporations Act* (British Columbia) on April 26, 2004. The Company’s registered and records office is located on the 22nd Floor, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. The Company is engaged in acquiring and exploring early-stage mineral resource properties.

In March 2018, the Company changed its financial and fiscal year end from October 31 to December 31, to align its reporting with peers. The Company’s statement of financial position is as at March 31, 2018 and as at December 31, 2017 and the statements of income and comprehensive income, cash flows and changes in equity are for the three months ended March 31, 2018 compared to the three months ended April 30, 2017.

The Company is considered to be in the development stage and is currently exploring mineral properties. During the three months ended March 31, 2018, the Company had a net loss of \$0.4 million and working capital of \$1.4 million as at March 31, 2018. At May 22, 2018 the working capital is approximately \$1.4 million. The Company believes that it will have sufficient capital to operate over the next 12 months, however it may have to curtail corporate expenses and additional funding will be necessary to complete its earn in options on projects and fund other exploration activities (Note 7).

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements for the three months ended March 31, 2018, including comparatives for the three months ended April 30, 2017, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. They do not include all of the information required by International Reporting Standards (“IFRS”) for annual financial statements and should be read in conjunction with the audited financial statements for the fiscal year ended and as at December 31, 2017.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts (“\$”). These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017

2. BASIS OF PRESENTATION (continued)

Critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements are set out in Note 3 to the audited financial statements for the fiscal year ended December 31, 2017 and have been consistently followed in preparation of these condensed consolidated interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the fiscal year ended December 31, 2017 and have been consistently followed in preparation of these condensed consolidated interim financial statements except for the following policies:

New standards adopted:

The Company reviewed certain new standards that were issued by IAS board that are mandatory for accounting periods beginning on or after January 1, 2018. These standards are listed below and had no impact on the Company.

IFRS 9 – Financial Instruments is a new standard that replaced IAS 39 – Financial Instruments: Recognition and Measurement for classification and measurement of financial instruments.

IFRS 2 – Share-based payments is an amended standard to clarify how to account for certain types of share-based payment transactions. The amendments provide for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Future Accounting Pronouncements:

The following standards have not been adopted by the Company and are being evaluated:

IFRS 16 – *Leases* is a new standard that will replace IAS 17 - *Leases* for the accounting and measurement of leases with a term of more than 12 months, effective for annual periods beginning on or after January 1, 2019. The Company does not expect the standard to have a material impact on its financial statements.

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
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4. ACQUISITION OF ROE GOLD LIMITED

In December 2017 the Company executed a binding term sheet (the “Agreement”) with Roe Gold Limited (“RGL”) and its shareholders to acquire an 80% interest in the Mt. Roe Gold Project (“Mt. Roe” or the “Project”), located in the Pilbara region of Western Australia. The transaction closed in January 2018.

Pursuant to the Agreement: (i) NxGold advanced to RGL, A\$1.5million in December 2017; (ii) RGL used those funds to acquire an 80% interest in the Project and a special purpose vehicle (“SPV”) formed by the shareholders of RGL will acquire a 20% interest in the Project, all pursuant to the terms of an existing option agreement; (iii) in January 2018, NxGold acquired all of the issued and outstanding shares of RGL in exchange for 19 million common shares of the Company. The Project will be held as a joint venture between RGL and the SPV pursuant to which the SPV will be free-carried through to Bankable Feasibility Study with standard dilution applying after that. If the SPV’s interest in the Project falls below 5%, the balance of its interest will be transferred immediately to NxGold. The SPV will be granted a US\$20 per ounce royalty over the Project. An additional 760,000 shares were issued as a finder’s fee. All of the shares issued were valued at \$0.27 per share which was the closing price on the day the Agreement was executed.

Purchase price:	
Fair value of shares issued for RGL	\$ 5,130,000
Fair value of shares issued for transaction costs	205,200
Transaction costs	58,736
	<u>\$ 5,373,966</u>
Purchase price allocations:	
Cash	\$ 19,331
Other current assets	4,119
Mineral properties	6,871,980
Liabilities	(17,844)
Due to NxGold Ltd.	(1,483,650)
	<u>\$ 5,373,966</u>

5. AVAILABLE FOR SALE SECURITIES

Available for sale securities consist of 279,791 common shares of NexGen Energy Ltd. (“NexGen”), a corporation with several common directors and officers, the common shares of which are listed on the Toronto Stock Exchange and NYSE American LLC. The carrying value is based on the estimated fair value of NexGen common shares and determined using published closing prices. The cost was \$130,764.

	March 31, 2018	December 31, 2017
Opening	\$ 898,128	\$ 677,094
Unrealized gain (loss)	(276,992)	221,034
Closing	\$ 621,136	\$ 898,128

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017

6. EQUIPMENT

	Computing Equipment	Equipment	Total
Cost			
Balance, October 31, 2017, December 31, 2017 and March 31, 2018	\$ 3,809	\$ 48,910	\$ 52,719
Accumulated depreciation			
Balance, October 31, 2017	\$ 1,047	\$ 4,891	\$ 5,938
Depreciation	253	1,468	1,721
Balance, December 31, 2017	1,300	6,359	7,659
Depreciation	346	2,127	2,473
Balance, March 31, 2018	\$ 1,646	\$ 8,486	\$ 10,132
Net book Value:			
Balance, December 31, 2017	\$ 2,509	\$ 42,551	\$ 45,060
Balance, March 31, 2018	\$ 2,163	\$ 40,424	\$ 42,587

NXGOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017**7. EXPLORATION AND EVALUATION ASSETS**

	Kuulu (a)	Chicobi (b)	Mt. Roe (see Note 4)	Total
Acquisition costs:				
Balance, October 31, 2017 and December 31, 2017	\$ 135,160	\$ 447,065	\$ -	\$ 582,225
Additions	-	-	6,871,980	6,871,980
Balance, March 31, 2018	\$ 135,160	\$ 447,065	\$ 6,871,980	\$ 7,454,205
Deferred exploration costs:				
Balance, October 31, 2017	\$ 809,814	\$ 373,953	\$ -	\$ 1,183,767
Additions:				
Geological	6,966	8,010	-	14,976
Survey	-	167,908	-	167,908
Travel	10,618	5,956	-	16,574
Salaries	19,898	20,413	-	40,311
Share-based payments	5,228	3,137	-	8,365
Less reclassified to inventory	(75,697)	-	-	(75,697)
Balance, December 31, 2017	776,827	579,377	-	1,356,204
Additions:				
Drilling	8,880	8,634	1,040	18,554
Land management	-	-	2,354	2,354
Survey	-	66,675	-	66,675
Travel	18,090	-	23,928	42,018
Salaries	41,203	21,561	22,281	85,045
Share-based payments	4,505	3,990	3,845	12,340
Investment tax credit	-	(94,024)	-	(94,024)
Deferred exploration in the three months ended March 31, 2018	72,678	6,836	53,448	132,962
Balance, March 31, 2018	\$ 849,505	\$ 586,213	\$ 53,448	\$ 1,489,166
Total exploration and evaluation assets:				
Balance, October 31, 2017	\$ 944,974	\$ 821,018	\$ -	\$ 1,765,992
Balance, December 31, 2017	\$ 911,987	\$ 1,026,442	\$ -	\$ 1,938,429
Balance, March 31, 2018	\$ 984,665	\$ 1,033,278	\$ 6,925,428	\$ 8,943,371

(a) Kuulu Property

In October 2016, the Company entered into an earn-in agreement (the “**Kuulu Earn-In Agreement**”) with Meliadine Gold Ltd. (“**MGL**”) (amended and restated February 3, 2017 and having an effective date of January 17, 2017), to earn up to a 70% interest in the Kuulu Project (the “**Kuulu Project**”) upon satisfaction of certain requirements. The Kuulu Project is located in the Kavilliq region of Nunavut.

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
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7. EXPLORATION AND EVALUATION ASSETS (continued)

Specifically, the Company has the right to acquire an undivided 50% interest in the Kuulu Project (the **"First Earn-In Option"**) and the right to acquire an additional undivided 20% interest in the Kuulu Project (the **"Second Earn-In Option"**) by incurring the expenditures and payments set out below:

	Minimum expenditure	Cash payment	Total
First Earn-In Option (50% undivided interest)			
January 17, 2018	\$ 1,000,000	\$ 75,000 ⁽¹⁾	\$ 1,075,000
January 17, 2019	4,000,000	75,000	4,075,000
January 17, 2020	5,000,000	75,000	5,075,000
	\$ 10,000,000	\$ 225,000	\$ 10,225,000
Second Earn-In Option (additional 20% undivided interest)			
January 17, 2021	\$ 2,000,000	\$ 75,000	\$ 2,075,000
January 17, 2022	3,000,000	75,000	3,075,000
January 17, 2023	5,000,000	75,000	5,075,000
January 17, 2024	15,000,000	75,000	15,075,000
	\$ 25,000,000	\$ 300,000	\$ 25,300,000

(1) Paid

The Second Earn-In Option is also subject to delivering to MGL a bankable feasibility study on or before January 17, 2024. The Company may extend the delivery date for the bankable feasibility study for up to three additional one-year periods, upon payment to MGL of \$2.5 million in cash for each such one-year extension. The Company may also extend the date for incurring any of the expenditures required by the Second Earn-In Option for an additional one-year period, at no additional cost.

In November 2017, the Company delivered a notice of force majeure suspending its obligations under the Kuulu Earn-In Agreement, due to the continued delay in the renewal of the existing Land Use Licences, KVL311B01 and KVRW12E01. As of the date of this report, the land use licenses are yet to be renewed. The land use licences are the only outstanding permits for the Company's proposed exploration program at the Kuulu Project.

The Kuulu Property is subject to a 1% net smelter returns royalty and a 12% net profit interest royalty.

(b) Chicobi Property

Effective June 7, 2017, the Company entered into an option agreement with Kenorland Minerals Ltd. (the **"Kenorland Option Agreement"**) to earn up to a 100% interest in the Chicobi Project, located approximately 30 km northeast of Amos, Quebec (the **"Chicobi Project"**). Pursuant to the Kenorland Option Agreement, the Company has the exclusive right to earn an undivided 80% interest in the Chicobi Project (the **"First Option"**) upon: (i) paying \$100,000 cash (paid) and issuing 800,000 common shares (complete); and (ii) incurring an aggregate of \$2 million in expenditures on the Chicobi Project on or before October 1, 2018. The 800,000 shares issued were recorded at their estimated fair value of \$288,000.

Upon earning an 80% interest in the Chicobi Project, the Company has the exclusive right to earn an additional 20% interest in the project (the **"Second Option"**), thereby increasing its interest in the project to 100%, by incurring an additional \$1 million of expenditures on the property, on or before June 7, 2020.

NXGOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
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7. EXPLORATION AND EVALUATION ASSETS (continued)

In connection with the grant of the First and Second Option, the Company agreed to the grant of a 2% net smelter returns royalty in respect of minerals produced from the property and supporting hypotec in respect of the property.

In the event the Company exercises the First Option but not the Second Option, the parties will be deemed to have formed a joint venture with the Company having an 80% interest and the vendor having a 20% interest.

In May 2018, the Company gave notice to withdraw from the Chicobi project in order to focus its capital and effort on the Mt. Roe Project in Western Australia (see Note 14).

8. SHARE CAPITAL

The Company's authorized share capital is an unlimited number of common shares without par value. All issued common shares are fully paid.

Common shares

In January 2018 the Company issued 19,760,000 related to the acquisition of RGL (see Note 4).

Warrants

There were no warrants exercised or issued in the three months ended March 31, 2018. As at March 31, 2018 the Company had the following warrants outstanding:

Expiry date	Exercise price	Number of warrants	Remaining life (years)
October 15, 2020	\$ 0.07	2,000,000	2.5
October 15, 2020	\$ 0.05	4,890,000	2.5
July 28, 2020	\$ 0.05	3,500,000	2.3
December 13, 2019	\$ 0.50	9,920,300	1.7
December 13, 2019	\$ 0.25	426,900	1.7
January 13, 2020	\$ 0.50	1,058,000	1.8
	\$ 0.28	21,795,200	2.1

Stock Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, entitling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

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8. SHARE CAPITAL (continued)

Stock option transactions and the number of stock options outstanding on the dates set forth below are summarized as follows:

	Number of options	Weighted average exercise price per share
Outstanding October 31, 2016	-	
Granted	3,550,000	\$ 0.52
Outstanding October 31, 2017 and December 31, 2017	3,550,000	\$ 0.52
Forfeited	(66,667)	\$ 0.52
Outstanding March 31, 2018	3,483,333	\$ 0.52
Number of options exercisable	2,250,000	\$ 0.52

As at March 31, 2018, the Company has stock options outstanding and exercisable as follows:

Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Remaining contractual life (years)	Expiry date
3,233,333	\$ 0.52	2,166,667	\$ 0.52	3.8	February 1, 2022
250,000	\$ 0.45	83,333	\$ 0.45	4.1	April 25, 2022
3,483,333	\$ 0.52	2,250,000	\$ 0.52		

The options granted vest one-third annually with one-third vesting immediately. The Company uses the Black-Scholes option pricing model to calculate the fair value of granted stock options. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates. There were no options granted in the three months ended March 31, 2018.

Share-based compensation for options in the three months ended March 31, 2018 amounted to \$93,757 of which \$81,417 was expensed to the statement of loss and comprehensive loss, and \$12,340 was capitalized to exploration and evaluation assets (Note 7). In the three months ended March 31, 2018 there was a reversal of \$25,998 related to forfeiture of unvested options. Share-based compensation for options vested in the three months ended April 30, 2017 amounted to \$727,363, of which \$693,297 was expensed to the statement of loss and comprehensive loss and \$34,066 was capitalized to exploration and evaluation assets.

9. MANAGEMENT OF CAPITAL

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 mineral properties. 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. The Company defines capital that it manages as share capital, cash and available-for-sale securities.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company, has historically relied on the equity markets to fund its activities. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. 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.

NXGOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017

9. MANAGEMENT OF CAPITAL (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There was no cash paid for income tax or interest in the three months ended March 31, 2018 and April 30, 2017.

Non-cash transactions in the three months ended March 31, 2018 and April 30, 2017 included:

- a) the issue of 19,760,000 common shares in January 2018 pursuant to the acquisition of and finders fee for RGL valued at \$5,335,200 (see Note 4).
- b) share-based payments capitalized to exploration and evaluation assets of \$12,340 (April 30, 2017 - \$34,066).

11. SEGMENTED INFORMATION

The Company has one operating segment in two geographic areas – acquisition of exploration mineral properties, in Canada and Australia, and with the corporate office in Canada. Segmented disclosure and Company-wide information is as follows:

	Canada	Australia	Total
Exploration and evaluation assets	\$ 2,037,912	\$ 6,905,459	\$ 8,943,371
Other assets	1,694,130	5,588	1,699,718
Total assets	\$ 3,732,042	\$ 6,911,047	\$ 10,643,089
Total liabilities	\$ 213,937	\$ -	\$ 213,937

12. FINANCIAL INSTRUMENTS**Fair value**

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of input described in the following hierarchy:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The Company's financial instrument recorded at fair value consists of cash and available for sale securities and are measured based on Level 1 inputs.

The fair value of accounts payable and accrued liabilities approximates their fair value due to their short-term nature.

NXGOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND APRIL 30, 2017**12. FINANCIAL INSTRUMENTS (continued)****Financial risk management objectives and policies**

The Company's financial instruments include cash, amounts receivable, available for sale securities, and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies regarding their management are discussed below. Management monitors these risk exposures to ensure appropriate measures are implemented in a timely and effective manner.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with Canadian banks that are believed to be creditworthy. Amounts receivable is comprised primarily of amounts due from the Government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages its liquidity by continuously monitoring and forecasting cash flows from operations and anticipating any investing and financing activities.

13. RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel is summarized as follows:

Three months ended March 31, 2018	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	\$ 179,833	\$ 104,160	\$ 283,993
Capitalized to exploration and evaluation assets	50,000	12,340	62,340
	\$ 229,833	\$ 116,500	\$ 346,333

Three months ended April 30, 2017	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	\$ 181,033	\$ 682,807	\$ 863,840
Capitalized to exploration and evaluation assets	3,846	34,066	37,912
	\$ 184,879	\$ 716,873	\$ 901,752

As at March 31, 2018 there was \$41,667 (December 31, 2017 – \$65,000) included in accounts payable and accrued liabilities owing to directors and officers for compensation.

The Company shares office space and administrative expenses with IsoEnergy Ltd. ("IsoEnergy"), a Company with officers and directors in common. During the three ended March 31, 2018, office lease and administrative expenditures billed to NxGold amounted to \$9,200 (2017: nil). As at March 31, 2018, the Company owes \$9,200 to IsoEnergy (December 31, 2017: nil).

NXGOLD LTD.
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(Unaudited - Expressed in Canadian Dollars)
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14. SUBSEQUENT EVENT

In May 2018, the Company gave notice to withdraw from the Chicobi project in order to focus its capital and effort on the Mt. Roe Project in Western Australia. In the three months ending June 30, 2018, the Company will recognize an impairment charge to the carrying value of the exploration and evaluation asset related to the Chicobi project and costs related to the withdrawal totaling approximately \$1.1 million.