NSGOLD CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010

Background

This Management Discussion and Analysis (MD&A) of NSGold Corporation (NSGold or the Company) is dated April 27, 2011 and provides an analysis of the financial operating results for the year ended December 31, 2010. This MD&A should be read in conjunction with the audited annual financial statements including the related note disclosure, all of which are prepared in accordance with generally accepted accounting principles (GAAP) in Canada. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases, the Filing Statement and technical report referenced herein, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's name.

Forward-Looking Information

Certain statements in this Filing Statement are forward-looking statements or information (collectively "forward-looking statements"). NSGold is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, NSGold has assumed that the current market for gold will continue and grow and that the risks listed below will not adversely impact the business of NSGold.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of NSGold, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of NSGold.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, NSGold undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of NSGold or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors" below.

Company Overview

NSGold is a mineral exploration company actively exploring for gold in Nova Scotia, Canada. The Company's flagship property is the Mooseland Gold Project in Halifax County, Nova Scotia.

NSGold was incorporated on September 25, 2009 under the Canada Business Corporations Act. The registered office of the Company is 1055 West Hastings Street, Suite 2200, Vancouver, B.C. The Company's fiscal year end is December 31, 2010. During June 2010 the Company completed a reverse takeover and short form vertical amalgamation with Kermode Capital Ltd. with the amalgamated entity being renamed "NSGold Corporation" with the new ticker symbol on the TSX Venture Exchange being "NSX". On June 18, 2010 the Company completed a private placement financing raising gross proceeds of $4.1 million.

Resource Properties

On April 14, 2010, NSGold entered into a formal purchase agreement with Globex Mining Enterprises Inc. ("Globex") to acquire a 100% interest in the advanced-stage exploration property referred to as the Mooseland Gold Property located 70 kilometres northeast of the city of Halifax, Nova Scotia and five secondary properties ("Secondary Properties") all located in the Province of Nova Scotia.

Under the terms of the purchase agreement NSGold must pay a total of $750,000 to Globex, as follows:

(i) $250,000 by June 30, 2010;
(ii) $250,000 by September 1, 2010; and
(iii) $250,000 on the earlier of 30 days after commencement of production or September 1, 2011.

The first two scheduled payments were made by NSGold and the remaining payment of $250,000 was recorded as accounts payable.

Globex also holds a NSR, a gross metal royalty, equal to four percent (4%) of all metals produced from the Mooseland Property and the Secondary Properties. In addition, Globex has the right to receive a five percent (5%) interest in the issued and outstanding share capital of NSGold at the time of production in the event that any of the Mooseland Property or the Secondary Properties, as applicable, enters into production.

Mooseland is the site of the first recorded gold discovery in Nova Scotia in 1858, and the property recorded total historical production from 1863 to 1934 of 3,865 ounces of gold recovered from 9,058 tons of crushed material (J. Bates, 1982). More recently, Mooseland was the target of a succession of focused exploration programs by Hecla Mining Company of Canada and Acadia Mineral Ventures, Ltd. (1987-1992) and Azure Resources Corp. (2003-2004). These companies completed a total of 36,858 meters of diamond drilling on Mooseland. Mining infrastructure on the Mooseland property includes a three-compartment shaft sunk to a depth of 125 meters complete with a steel head frame and a ramp to a depth of 50 meters.

In July 2010 NSGold initiated a Phase 1 exploration program at Mooseland that focused on obtaining data necessary to verify and classify the historical gold resource estimates in accordance with National Instrument 43-101. A total of 26 diamond drill holes were completed during 2010 with 13 holes being drilled in each of the West and East Zones.

NSGold also holds five early-stage gold and base-metal exploration properties located in Nova Scotia. The projects are as follows; Leipsigate, Indian Path, Blockhouse, French Village and Cheticamp. The first three are former gold-producing properties, each characterized by Meguma-type gold occurrences, while the latter two are gold and base-metal exploration properties. During 2010 NSGold completed 3 diamond drill holes at the Leipsigate property.

In March 2011 the Company signed a definitive option agreement ("Agreement") whereby it can acquire a 100% ownership of the Dios Padre Property ("Property"). The Property, including the historic Dios Padre Silver Mine, is located in the Municipality of Yecora, State of Sonora, Mexico approximately 260 km east of Hermosillo. Under the terms of the Agreement, NSGold, through its wholly-owned subsidiary Compañía Minera Oso Blanco SA de CV, can acquire a 100% undivided interest in the Dios Padre Property from Cia Minera Pena Blanca SA de CV by making cash payments totaling US$6 million over a 5-year period and issuing an aggregate of 1,250,000 common shares to the vendor in five equal tranches over the same 5-year period. Once NSGold acquires a 100% undivided interest in the Property, the vendor will be granted a 3% net smelter return royalty, two-thirds of which may be repurchased by NSGold at any time prior to the commencement of commercial production by the payment of US$2 million. The acquisition is subject to the approval of the TSX Venture Exchange.

Results of Operations

The Company was incorporated on September 25, 2009. Prior to the completion of the reverse takeover, amalgamation and concurrent private placement financing the Company did not have any operations. Expenses of $9,895 incurred in 2009 related to professional fees associated with incorporation.

Summary of Results for the Three and Twelve Month Periods Ended December 31, 2010

	Three months ended December 31, 2010	Twelve months ended December 31, 2010
Interest income	$ 3,054	$ 3,054
Total expenses	$ 90,981	$305,998
Net loss and comprehensive loss	$ 87,477	$302,494
Basic and diluted net loss per share	$ 0.00	$ 0.01

Following the completion of the $4.1 million private placement financing in June 2010, the Company commenced the Phase 1 exploration program at the Mooseland Gold Project as referenced above. As a result, the Company incurred an increased level of general and administrative expenditures during the second half of the year.

	Three months ended December 31, 2010	Twelve months ended December 31, 2010
Consulting fees	$ 27,150	$ 67,850
General and administrative	$ 34,710	$ 70,711
Insurance	$ 0	$ 25,000
Professional fees	$ 20,467	$ 108,164
Stock-based compensation expense	$ 7,860	$ 12,860
Travel	$ 794	$ 21,413
Total expenses	$ 90,981	$ 305,998

During the year ended December 31, 2010 the Company expended a total of $2,197,905 on its resource properties. These expenditures are summarized below.

	Mooseland	Other	Total
Acquisition of mineral claims	$ 700,000	$ 50,000	$ 750,000
Purchase of net smelter royalties	$ 415,000	$ 0	$ 415,000
Exploration expenditures	$ 977,553	$ 55,352	$ 1,032,905

Liquidity and Capital Resources

On June 18, 2010 the Company completed a private placement raising gross proceeds of $4.1 million. The financing included the issuance of 15,105,871 units with each unit comprising one “flow-through” or non “flow-through” common share and one-half of one common share purchase warrant. The gross proceeds of $4.1 million comprised $2.06 million “hard” dollars (8,225,140 units priced at $0.25 per unit) and $2.06 million “flow-through” dollars (6,880,731 units priced at $0.30 per unit). Each whole warrant entitles the holder to one common share of the Company at a price of $0.50 per share for a period of 12 months from the private placement closing date. Four months after the Private Placement Closing Date, in the event the Company's shares close above $0.65 per share for ten consecutive days, such common share purchase warrants are subject to an early conversion by which the holders thereof will have to convert such warrants within thirty days of the day the Company provides written notice with respect to such accelerated expiry date.

As at December 31, 2010 the Company had cash and short term investments aggregating $1,327,602 and working capital of $1,300,839.

Subsequent to December 31, 2010 the Company received aggregate proceeds from the exercise of warrants and agent unit options of $425,220. As at April 27, 2011 the aggregate in-the-money value for the outstanding warrants and agent unit options aggregated $4.01 million.

Obligations With Respect to Flow-Through Shares

Pursuant to the June 2010 private placement financing the Company issued 6,880,731 flow-through shares for gross proceeds of $2,064,220. The Company agreed to incur $2,064,220 of eligible "Canadian Exploration Expenses" ("CEE") from the date of closing to December 31, 2011 and renounce such expenditures with an effective date of no later than December 31, 2010.

The Company renounced CEE aggregating $2,064,220 with an effective date of December 31, 2010 of which $1,030,765 was incurred during 2010 and $1,033,455 which is to be incurred in 2011 and was renounced under the "look-back rule."

Changes in Accounting Policies Including Initial Adoption

Effective for fiscal 2009 the Company has adopted the following accounting policies:

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Emerging Issues Committee ("EIC") of the Canadian Accounting Standards Board issued EIC Abstract 173, "Credit Risk and Fair Value of Financial Assets and Financial Liabilities", which establishes guidance requiring an entity to consider its own credit risk as well as the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. This interpretation must be applied retrospectively without restatement of prior years. The adoption of this interpretation did not have a significant impact on the Company's financial statements.

Financial Instruments

In June 2009, the AcSB issued amendments to Section 3862, "Financial Instruments – Disclosures", to require enhanced disclosures about the relative reliability of the data, or "inputs", that an entity uses in measuring the fair values of its financial instruments. The new requirements are effective for annual financial statements for fiscal years ending after September 30, 2009. The adoption of this interpretation did not have a significant impact on the Company's financial statements.

Recent accounting pronouncements issued and not yet adopted

International Financial Reporting Standards (IFRS)

In February 2008, Canada's Accounting Standards Board (AcSB) confirmed that Canadian GAAP, as used by publicly accountable enterprises, will be fully converged with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB). As a result, the Company will be required, commencing with its first interim period following the changeover date (January 1, 2011) to report under IFRS-IASB standards instead of current Canadian GAAP. As such, the Company will be required to prepare its December 31, 2011 financial statements including comparative information in compliance with IFRS.

The transition to IFRS requires the Company to apply IFRS 1 in order to prepare IFRS-IASB compliant financial statements in the first reporting period after the changeover date. IFRS 1 only applies at the time of changeover and includes a requirement for retrospective application of each IFRS as if it had always been in effect. IFRS 1 also mandates certain exceptions to retrospective application as well as certain optional exemptions from retrospective application in order to ease the burden of transition to IFRS-IASB from any previous GAAP.

The transition to IFRS-IASB requires the Company to do an in-depth analysis and review of its current accounting policies and business practices in order to ensure that its' systems and reporting methods are ready for the transition. As of December 31, 2010, the Company has not yet completed the work on its IFRS conversion, however, management has begun its review of the compliance requirements and has also engaged an IFRS specialist to assist the Company with its transition, by helping management determine which IFRS policies will apply to the Company, as well as identify the major differences (if any) between Canadian GAAP and IFRS-IASB.

Reporting under IFRS-IASB will require more disclosure than under Canadian GAAP. Management has determined that given the current nature of operations and the nature of the Company's assets and liabilities, the information technology and internal control over financial reporting will not require significant changes.

The Company has identified two areas where there may be some differences between Canadian GAAP and IFRS-IASB. These areas pertain to the convertible debt and the stock-based compensation. The impact of IFRS is currently being evaluated. However, it is anticipated that due to the nature of operations and the limited asset base and liabilities, the transition to IFRS will not have a material impact on the Company's financial results or financial position.

Given the current level of the Company's operations, management is of the opinion that this timeframe provides the Company sufficient time to meet its obligations with respect to the changeover to IFRS.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the year the Company incurred legal fees aggregating $189,445 from a law firm of which one of the officers is a partner. The Company recorded $40,000 to share issue costs, $73,248 to professional fee expense and $76,017 to opening share capital in conjunction with the accounting for the reverse takeover transaction. As at December 31, 2010 the amount payable totaled $9,380.

Outstanding Share Data

As at April 27, 2011 the Company has 31,718,494 shares issued and outstanding.

As at April 27, 2011 the Company has outstanding 7,529,435 common share purchase warrants and 629,520 agent's options. The agent's options entitle the holders thereof to acquire an aggregate of 629,500 units of the Company at an exercise price of $0.25 per unit until June 18, 2011. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at an exercise price of $0.50 per share until June 18, 2011.

On March 24, 2011 the Company granted stock options to three directors in respect of an aggregate of 300,000 common shares, and two consultants, in respect of an aggregate of 95,000 common shares. The exercise price of the stock options is $0.50 per share. The stock options vest in four equal tranches commencing three months from the date of grant and will be fully vested in twelve months. They expire five years from the date of grant.

As at April 27, 2011 the Company has outstanding a total of 675,000 stock options which includes 395,000 options granted in March 2011 as described above and 280,000 options granted in August 2010 having an exercise price of $0.25 per share expiring August 17, 2015.

Risks and Uncertainties

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Company.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated September 25, 2009 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on its exploration properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that NSGold does not have title to its exploration properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

As NSGold holds an option to acquire the Property, subject to the NSR, it does not currently hold any permits or licences necessary to carry on proposed exploration activities on the Property. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The Property in which the Company holds an interest is considered to be an advanced stage exploration property, however no mineral reserve or mineral resource estimates have been prepared in respect of the Property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Management Inexperience in Developing Mines

The management of the Company has some experience in exploring for minerals, but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Company's operations, earnings and ultimate financial success could be materially adversely effected.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act (BCBCA) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the Company, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, NSGold has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.