NSGold Corporation

Unaudited Interim Condensed
Consolidated Financial Statements
(expressed in Canadian dollars)

March 31, 2018

May 29, 2018

Management's Report

The accompanying unaudited interim condensed consolidated financial statements of **NSGold Corporation** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim condensed consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the unaudited interim condensed consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited interim condensed consolidated financial statements, and recommended their approval by the Board of Directors.

These financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Johannes H.C. Van Hoof*"
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) *"Glenn Holmes"*
Chief Financial Officer
Halifax, Nova Scotia

NSGold Corporation

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2018 and December 31, 2017

(expressed in Canadian dollars)

	March 31, 2018 $	December 31, 2017 $
Assets		
Current assets		
Cash and cash equivalents	106,952	5,258
Accounts receivable	20,862	14,358
Prepaid expenses (note 4)	6,152	2,252
	133,966	21,868
Investment in NSX Silver Inc.	9,379	9,379
Resource properties (note 5)	2,198,246	2,185,090
	2,341,591	2,216,337
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	49,019	71,827
Demand loan	–	5,000
	49,019	76,827
Equity (note 7)	2,292,572	2,139,510
	2,341,591	2,216,337

Going concern (note 1)

Approved by the Board of Directors

(signed) *"Johannes H.C. Van Hoof"*, Director

(signed) *"Glenn Holmes"*, Director

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

NSGold Corporation

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the periods ended March 31, 2018 and March 31, 2017

(expressed in Canadian dollars)

	2018 $	2017 $
Operating expenses		
Consulting fees	12,750	13,150
Business fees	2,803	3,329
Insurance	2,250	2,250
Professional fees	686	287
Shareholder communication	75	125
Office	1,937	815
Other	187	1,505
Net loss and comprehensive loss for the years	(20,688)	(21,461)
Net loss per share – basic and diluted (note 7)	(0.002)	(0.002)
Weighted average outstanding common shares – basic	13,716,153	12,573,264

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

NSGold Corporation

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the periods ended March 31, 2018 and March 31, 2017

(expressed in Canadian dollars)

	Number of common shares (note 9)	Share capital $ (note 9)	Contributed surplus $ (note 9)	Deficit $	Total $
Balance – December 31, 2015	12,573,264	5,212,847	732,827	(3,687,322)	2,258,352
Net loss for the year	–	–	–	(21,461)	(21,461)
Balance – March 31, 2017	12,573,264	5,212,847	732,827	(3,708,783)	2,236,891
Balance – December 31, 2017	12,573,264	5,212,847	757,827	(3,831,164)	2,139,510
Shares issued for cash, exercise of warrants	1,390,000	173,750	–	–	173,750
Net loss for the year	–	–	–	(20,688)	(20,688)
Balance – March 31, 2018	13,963,264	5,386,597	757,827	(3,851,852)	2,292,572

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

NSGold Corporation

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the periods ended March 31, 2018 and March 31, 2017

(expressed in Canadian dollars)

	2018 $	2017 $
Cash provided by (used for) the following		
Operating activities		
Net income (loss) for the periods	(20,688)	(21,461)
Net change in working capital balances related to operations		
Decrease (increase) in accounts receivable	(6,504)	3,072
Increase in prepaid expenses	(3,900)	(1,650)
Increase (decrease) in accounts payable and accrued liabilities	(35,964)	(24,780)
	(67,056)	(44,819)
Financing activities		
Proceeds from exercise of warrants	173,750	–
Repayment of demand loan	(5,000)	–
	168,750	–
Net change in cash for the periods	101,694	(44,819)
Cash – Beginning of periods	5,258	115,116
Cash – End of periods	106,952	70,297

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

(expressed in Canadian dollars)

1 Nature of operations and going concern

Nature of operations

NSGold Corporation (the "Company" or "NSGold") was incorporated on September 25, 2009 under the Canada Business Corporations Act. On June 18, 2010, the Company completed a reverse takeover and short form vertical amalgamation pursuant to the British Columbia Business Corporations Act with Kermode Capital Ltd. with the amalgamated entity being renamed NSGold Corporation.

The Company is a mineral exploration company exploring for gold and base metals in Nova Scotia, Canada. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable.

The Company's shares are listed on the TSX Venture Exchange with the symbol NSX.

Going concern

These unaudited interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due. As at March 31, 2018, the Company had an accumulated deficit of $3.9 million (December 31, 2017 - $3.8 million). The Company has no income or cash flow from operations. In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its resource properties, to fund its exploration and development activities and to fund its general and administrative costs. Such circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of properties. These unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2 Basis of presentation

a) Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

These financial statements are in compliance with International Accounting Standard 34, Interim inancial Reporting ("IAS 34"). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. These financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2017.

(expressed in Canadian dollars)

2 Basis of presentation (continued)

a) Basis of preparation (continued)

These financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

The Board of Directors approved the unaudited interim condensed consolidated financial statements for issue on May 29, 2018.

b) Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared under a historical cost basis, except for certain financial assets which are recorded at fair value.

c) Use of estimates and judgments

The preparation of the unaudited interim condensed consolidated financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current as well as expected economic conditions. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and assumptions are discussed below:

Recoverability of resource properties

At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value of mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the Company does not have sufficient information about a particular mineral resource property to meaningfully estimate future cash flows, the fair value is estimated by management through the use of, where available, comparison to similar market assets and, where available, industry benchmarks. Actual results may differ materially from these estimates.

(expressed in Canadian dollars)

2 Basis of presentation (continued)

c) Use of estimates and judgments (continued)

Impairment of investments

The Company follows the guidance of International Accounting Standards ("IAS") 39 "Financial Instruments - Recognition and Measurement" to determine when an available-for-sale equity investment is impaired. This determination requires significant judgment. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flows.

3 Significant accounting policies

These financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended December 31, 2017. Refer to note 3 – Significant Accounting Policies, of the Company's annual consolidated financial statements for the year ended December 31, 2017 for information on accounting policies, as well as, new accounting standards not yet effective.

4 Prepaid expenses

	March 31, 2018 $	December 31, 2017 $
Prepaid insurance	2,252	2,252
Stock exchange sustaining fees	3,900	–
	6,152	2,252

5 Resource properties

	Mooseland $	Other $	Total $
Year ended December 31, 2016	2,170,440	8,905	2,179,345
Exploration costs incurred	15,800	919	16,719
Write-downs	(1,150)	(9,824)	(10,974)
Year ended December 31, 2017	2,185,090	–	2,185,090
Exploration costs incurred during period	13,156	–	13,156
Period ended March 31, 2018	2,198,246	–	2,198,246

(expressed in Canadian dollars)

5 Resource properties (continued)

Mooseland and other Nova Scotia Properties

On April 14, 2010, the Company 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 ("Mooseland Property") located 70 kilometres northeast of the city of Halifax, Nova Scotia and five secondary properties all located in the Province of Nova Scotia. The Company currently holds only the Mooseland and Cheticamp properties (the "Properties").

Under the terms of the purchase agreement the Company paid a total of $750,000 to Globex. Globex also holds a gross metal royalty equal to 4% of all metals produced from the Properties. In addition, Globex has the right to receive a 5% interest in the issued and outstanding share capital of the Company in the event that either of the Properties enters into production.

6 Accounts payable and accrued liabilities

	March 31, 2018 $	December 31, 2017 $
Accounts payable	32,969	36,420
Accrued liabilities	16,050	35,407
	49,019	71,827

At March 31, 2018, $11,250 (December 31, 2017 - $22,500) of accounts payable and accrued liabilities is due to an officer of the Company.

7 Share capital

a) Authorized capital stock

Unlimited number of common shares, without nominal or par value
Unlimited number of preferred shares, without nominal or par value, issuable in one or more series

Common shares issued and fully paid	Number of shares	Amount $
Balance – December 31, 2016 and December 31, 2017	12,573,264	5,212,847
Issued pursuant to exercise of warrants	1,390,000	173,750
Balance – March 31, 2018	13,963,264	5,386,597

(expressed in Canadian dollars)

7 Share capital (continued)

b) Warrants

The following table summarizes the changes in the Company's warrants:

	Expiry date	Exercise price $	Number	Ascribed value $
Balance – December 31, 2015	January 30, 2018	0.125	3,529,411	–
Issued pursuant to 2016 private placement financing	June 2, 2018	0.15	500,000	–
Balance – December 31, 2016 and December 31, 2017			4,029,411	–
Exercised during the period			1,390,000	–
Expired during the period			2,139,411	–
Balance – March 31, 2018			500,000	–

The fair value of warrants recognized has been estimated at the issue date using the residual method of valuation. Given the market price of the Company's common shares on the date of closing of the 2015 and 2016 private placement was equal or greater to the selling price of the units, the residual value assigned to both sets of warrants was $nil.

c) Options

The Company has adopted a stock option plan for directors, officers, employees and consultants of the Company, providing the Board of Directors with the discretion to issue options to purchase up to 1,000,000 common shares. The exercise price of the stock options is determined by the Board of Directors when the options are granted, but cannot be less than the closing price of the Company's shares on the TSX Venture Exchange on the business day immediately preceding the day on which the option is granted. The maximum exercise period of the stock options is ten years. In determining the stock-based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Expected volatility is based on actual volatility of similar companies. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The weighted average assumptions used in the Black-Scholes pricing model for options issued during the year ended December 31, 2017 are as follows:

Risk-free interest rate	1.4%
Expected volatility	200%
Expected dividend yield	$nil
Expected life	10 years

(expressed in Canadian dollars)

7 Share capital (continued)

c) Options (continued)

The following summarizes the changes in the Company's stock options:

	Weighted average exercise price $	Number of options	Weighted average remaining life (years)	Expiry date
Balance – December 31, 2016	0.08	207,500	7.4	
Granted during the year	0.10	265,000	9.4	Aug. 24, 2027
Balance – December 31, 2017 and March 31, 2018	0.09	472,500	8.5	

As at March 31, 2018, 527,500 options remained available for future grants under the Plan. Options vested and exercisable at March 31, 2018 totaled 472,500 with an average exercise price of $0.09 per share.

d) Contributed surplus

	2017 $
Balance – December 31, 2016 and March 31, 2017	732,827
Balance – December 31, 2017 and March 31, 2018	757,827

8 Related party transactions

During the period ended March 31, 2018, the Company repaid a $5,000 cash advance it had received from a company controlled by Mr. Hans Van Hoof, Chairman of the Company. The advance was non-interest bearing, unsecured and payable upon demand.

At March 31, 2018, the Company has an investment in NSX Silver Inc. in the amount of $9,379 (December 31, 2017 - $9,379). NSX Silver is related to the Company given they have certain common directors and officers.

9 Supplemental cash flow information

During the period ended March 31, 2018, the Company incurred expenditures on resource properties of $13,156 (March 31, 2017 - $13,719) which were recorded as accounts payable.

(expressed in Canadian dollars)

10 Financial instruments

Credit risk

The Company manages credit risk by holding the majority of its cash with high quality financial institutions in Canada, where management believes the risk of loss to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company does not have sufficient working capital to carry out all budgeted programs in 2018 and must raise funds during 2018 to avoid disruption in planned expenditures (see note 1).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

a) Interest rate risk

The Company has no significant exposure to interest rate risk on its lending and borrowing activities.

b) Price risk

The Company is not exposed to any direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenues.