

## **MANAGEMENT DISCUSSION AND ANALYSIS**

To the Shareholders of Nexus Gold Corp.

### **INTRODUCTION**

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Nexus Gold Corp. ("Nexus" or the "Company") and compares its financial results for the three months ended April 30, 2017 to the previous comparative period. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended April 30, 2017 and its audited financial statements for the year ended January 31, 2017. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

The Company's financial results are being reported in accordance with International Financial Reporting Standards ("IFRS"). Further details are included in Note 2 of the condensed interim consolidated financial statements for the three months ended April 30, 2017. This MD&A is made as of June 28, 2017.

During the period ended April 30, 2017, the Company's common shares have commenced trading in the United States under the ticker symbol "NXXGF". The listing coincides with the Company's ongoing efforts to support its existing US shareholder base, and to facilitate trading in the OTC markets. The company has also pursued DTC eligibility to support electronic trading and expects that approval in the coming weeks. The Company's common shares will continue to trade on the TSX Venture Exchange under the ticker symbol "NXS".

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its property, to produce minerals from its property successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **OVERALL PERFORMANCE AND HIGHLIGHTS**

#### ***PRIVATE PLACEMENTS***

On February 23, 2017, the Company completed a private placement of 16,668,219 units for gross proceeds of \$2,000,186 of which \$242,712 was for non-cash proceeds. Each unit consists of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase one additional shares at \$0.18 until February 23, 2019. During the year ended January 31, 2017, the Company received \$741,100 of subscriptions in advanced.

In connection with completion of the offering the Company paid \$28,870 and issued 528,050 common shares (valued at \$63,366) and 393,492 of finders' warrants (valued at \$95,183).

## **EXPLORATION ACTIVITIES FOR THE THREE MONTH PERIOD ENDED APRIL 30, 2017**

During the three month period ended April 30, 2017, the Company incurred \$680,687 in exploration and evaluation costs.

### **Bouboulou Concession, Burkina Faso, West Africa**

On June 15, 2016, the Company entered into an option agreement with Bureau D'Etudes des Geosciences et de L'Environnement (the "Optionor"), pursuant to which the Company will acquire the right to earn up to 100% interest in the Bouboulou Exploration Permit located in Burkina Faso, West Africa (the "Bouboulou Concession" or "Property").

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 and issue 100,000 shares on or before April 5, 2018;
- iii) pay US\$125,000 and issue 250,000 shares on or before April 5, 2019; and
- iv) pay US\$330,000 and issue 500,000 shares on or before April 5, 2020.

Following the acquisition of a 75% interest in the Property, the Company will have the option to acquire the remaining 25% interest in the Property through a cash payment of US\$1,000,000 with a 1% net smelter return royalty ("NSR") remaining with the Optionor.

In September 2016, the Company mobilized to the project site and exploration activities have commenced at the Bouboulou Gold Concession in Burkina Faso, West Africa.

Nexus Gold Director, Warren Robb, P.Geo, will plan and implement the fall exploration program at Bouboulou. Mr. Robb was Chief Geologist for Roxgold in 2012 where he wrote the 43-101 and oversaw drilling at the property (then called Bissa West). Immediate work includes reviewing legacy data, data compilation, geological mapping, drill hole mapping and selection, rock and core geochemical re-sampling, ground confirmation, and sourcing of drill operator, equipment and crew.

In addition to the four known gold zones at Bouboulou, a new area of interest has been observed on the property due to an increase in artisanal mining activity. Upon the initial property visit the company geologist noted a large orpillage (area worked by artisanal miners). The zone being exploited by the orpilleurs is a shear hosted in metavolcanics with cross cutting quartz veins and stringers. The ore-pillage extends for some 250 meters along strike with the Boudaorpaillage which is adjacent to the property and located along the Sabce shear zone. This same shear zone also hosts Norgold's Bissa Hills mine. The Company has sampled the dumps of the orpillage and will integrate the geochemical data into its geological databases.

### **Bouboulou Concession History**

The Bouboulou Concession covers an area of 38.3 square kilometers and is located approximately 100 kilometers north by northwest of the capital city of Ouagadougou, Burkina Faso. Exploration on the permit area has been conducted by Boliden (1997 – 1999), Riverstone Resources (2005- 2011) and Roxgold (2011 to 2012). Exploration has consisted of Rotary Air Blast Drilling, trenching, geological mapping, Airborne EM and magnetometer and Radiometrics and reverse circulation and diamond drilling.

Highlights of the previous exploration programs include; surface rock sampling and trenching returning gold grades from 1.09 to 19.16 g/t gold. Four zones of gold mineralization have been identified on the Property termed Koala, Rawema, Bouboulou 2 and Pelgtanga.

Significant Reverse Circulation drilling results include:

Hole	Azimuth	dip	depth (m)	From	To	(metres)	(g/t Au)	Zone
BBL-11-RC-006	120	-67	115	70	110	40	1.548	Bouboulou2
			includes	70	90	20	2.255	
			and	100	110	10	1.422	
BBL-11-RC-013	300	-50	109	74	109	35	2.209	Rawema
			includes	74	86	12	5.455	
BBL-11-RC-020	270	-55	103	40	50	10	2.844	Koala
			includes	42	44	2	12.450	
BBL-11-RC-027	120	-45	120	90	114	24	1.36	Bouboulou2
BBL-11-RC-042	320	-55	114	52	54	2	3.80	Pelgtanga

Significant Diamond drilling results include:

Hole	azimuth	dip	depth (m)	From	To	(metres)	(g/t Au)	Zone
BBL-11-DD-002	315	-45	127	42	44	2	5.43	Rawema
BBL-11-DD-003	135	-45	142	56	58	2	5.33	Bouboulou2
				78	82	4	12.53	
BBL-11-DD-005	300	-50	179	74	80	6	4.62	Rawema
			includes	77.7	78	0.3	81.32	
BBL-11-DD-008	320	-45	198	125	127	2	2.55	Koala

All results reported are over intercepts lengths and are not true widths.

## Location and Geology

The property is situated at the north end of the Boromo greenstone belt underlain by an alternating sedimentary-basalt-sedimentary-volcanic progression which strikes generally northeast-southwest, and is bisected by the Sabce Shear Zone, which hosts numerous artisanal gold zones over its 120 kilometre length plus the Bissa Mine operated by Norgold.

## Property History

Exploration on the permit area has been conducted by Boliden (1997 – 1999), Riverstone Resources (2005- 2011) and Roxgold (2011 to 2012). Exploration has consisted of Rotary Air Blast Drilling, trenching, geological mapping, Airborne EM and magnetometer and Radiometrics and reverse circulation and diamond drilling.

## About Burkina Faso

Burkina Faso is a landlocked nation located in West Africa between Ghana and Mali, the second and third largest gold producing countries on the continent. It is underlain by rocks of the same age and history as its neighbors but it is still relatively under-explored compared to its neighbors. It covers an area of roughly 274,000 square kilometres and has an estimated population of more than 16 million people. The country is pro-mining and has a favorable foreign investment stance.

The country is the fastest growing gold producer in Africa. It is ranked 4th in the continent and 23rd worldwide in Current Mineral Potential Index in the “Survey of Mining Companies 2014” conducted by The Fraser Institute of Canada. Since 2013, there are seven gold mines in production. Other mining resources include manganese, bauxite, copper, nickel, lead, zinc, and limestone/marble.

The country has excellent geological potential. The Greenstone Belts that host all of the major deposits in Ghana and Cote d'Ivoire continue northward into Burkina Faso. Some of the world's most productive mines are located in West

African greenstone belts. These belts cover approximately 3, 000, 000 km<sup>2</sup>, making the area's exploration potential enormous. Burkina Faso currently accounts for 21% of West Africa's greenstone belt exposure. Burkina Faso has undergone less than 15 years of modern mineral exploration, remaining under explored in comparison to neighbouring Ghana and Mali; both of which host world class gold mines in the same belts of Birimian rocks.

On September 27, 2016, the Company reported on early exploration activities at the Bouboulou Gold Concession in Burkina Faso, West Africa.

Nexus Gold Senior Geologist Warren Robb, P.Ge, has begun the fall exploration program at Bouboulou. Mr. Robb was Chief Geologist for Roxgold in 2012 where he oversaw drilling at the property (then called Bissa West). As part of its preparation for the upcoming drill program the Company is reviewing recently acquired legacy data and conducting geological mapping, drill hole mapping and selection.

#### Sampling Results

The Company has received results from Actlabs, Burkina Faso, on eight grab samples taken from artisanal workings of the four known gold zones on the property. Six of the eight samples returned gold values, including 2.8 g/t Au and 5.5 g/t Au, respectively, at Bouboulou 2 (one of the four known zones). The company plans additional sampling in and around the historical drill holes and the newly observed artisanal zone reported in its September 8, 2016 news release.

#### New Zone at Bouboulou

As reported in the September 8, 2016 Nexus Gold news release, a new area of interest has been observed on the property due to an increase in artisanal mining activity. Upon the initial property visit the company geologist noted a large orpillage (area worked by artisanal miners). The zone being exploited by the orpilleurs is a shear hosted in meta-volcanics and meta-sediments with cross cutting quartz veins and stringers. The orepillage extends for some 250 meters along strike with the Boudaorpaillage which is adjacent to the property and located along the Sabce shear zone. This same shear zone also hosts Norgold's Bissa Hills mine.

#### Historical Results

The Bouboulou Gold concession is a near-surface, advanced stage gold exploration target located in a known gold belt, within a prolific and highly active area. The property has previously been drilled by Roxgold Inc, Riverstone Resources and Boliden.

Bouboulou was held by Boliden in 1997 as part of a much larger permit. Boliden completed regional Rapid Air Blast ("RAB") drilling over the entire permit, comprising 25,400 meters, initially at 500 m centres. Included in this total was infill drilling concentrated over what is now the Company's permit, which defined a northeast trending gold anomaly measuring 13 km by 2 to 6 km wide. The mineralization was described as disseminated sulphides in tuffs and dacites.

Riverstone completed several programs of regional and detailed geological mapping and sampling prior to the Roxgold option. Rock sampling and trenching within the Boliden anomaly returned gold grades from 1.09 to 19.16 g/t. Riverstone also completed an IP geophysical survey over the area of the highest gold values, and Roxgold drill tested a number of these targets. The following tables represent historical drill results as reported by Roxgold. Significant Reverse Circulation drilling results include:

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Hole	azimuth	dip	depth (m)	From	To	(metres)	(g/t Au)	Zone
BBL-11-RC-003	320	-55	103	24	34	10	1.10	Pelgtanga
			Includes	30	32	2	3.66	
BBL-11-RC-005	120	-55	103	60	64	4	1.97	Bouboulou 2
BBL-11-RC-006	120	-67	115	70	110	40	1.548	Bouboulou 2
			includes	70	90	20	2.255	
			and	100	110	10	1.422	
BBL-11-RC-012	120	-50	120	100	108	8	1.21	Rawema
BBL-11-RC-013	300	-50	109	74	109	35	2.209	Rawema
			includes	74	86	12	5.455	
BBL-11-RC-020	270	-55	103	40	50	10	2.844	Koala
			includes	42	44	2	12.450	
BBL-11-RC-021	240	-55	130	6	8	2	3.94	Koala
BBL-11-RC-022	140	-55	133	44	48	4	1.63	Koala
BBL-11-RC-024	320	-55	193	38	44	6	1.95	Pelgtanga
BBL-11-RC-027	120	-45	120	90	114	24	1.36	Bouboulou 2
BBL-11-RC-042	320	-55	114	52	54	2	3.80	Pelgtanga

\* The above reported data are drill intercept lengths are not true widths

Significant Diamond drilling results include:

Hole	azimuth	dip	depth (m)	From	To	(metres)	(g/t Au)	Zone
BBL-11-DD-002	315	-45	127	42	44	2	5.43	Rawema
BBL-11-DD-003	135	-45	142	56	58	2	5.33	Bouboulou 2
				78	82	4	12.53	
BBL-11-DD-005	300	-50	179	74	80	6	4.62	Rawema
			includes	77.7	78	0.3	81.32	
BBL-11-DD-008	320	-45	198	125	127	2	2.55	Koala

\* The above reported data are drill intercept lengths are not true widths

On October 6, 2016, the Company announced that the Company has contracted Falcon Drilling Burkina Faso S.A.R.L. ("Falcon") for the upcoming drill program at the Bouboulou Gold Concession, Burkina Faso, West Africa.

Falcon has been previously contracted for its drilling services by other resource companies operating in Burkina Faso such as Roxgold Inc and True Gold Mining. The company therefore has extensive experience drilling in the country and vast knowledge of the area.

Nexus Gold Director, Warren Robb, P.Geol, will plan and oversee a 2000 meter phase one drill program at Bouboulou. Mr. Robb was Chief Geologist for Roxgold in 2012 where he conducted previous drill programs at the property (then called Bissa West).

### **Niangouela Gold Concession, Burkina Faso, West Africa**

On November 30, 2016, 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);
- ii) issue 30,000 common shares (issued);
- iii) pay US\$15,000 on or before November 30, 2017;
- iv) issue 70,000 common shares on or before November 30, 2017;
- v) pay US\$120,000 on or before November 30, 2018;
- vi) issue 200,000 common shares on or before November 30, 2018;
- vii) pay US\$220,000 on or before November 30, 2019; and
- viii) issue 300,000 common shares on or before November 30, 2019.

Upon earning the 90% interest, the Company has a one year option to purchase the remaining 10% interest in the property for \$1,000,000. Upon earning a 100% interest in the property, the Company shall pay the optionor a NSR of 1%.

On December 13, 2016, the Company announced that RAB (Rotary Air-Blast) drilling at its Niangouela Gold Concession, Burkina Faso, West Africa, is now underway.

Nexus Gold Corp. has completed its previously announced RAB (rotary air blast) drilling program at the 178-square-kilometre Niangouela gold concession, Burkina Faso, West Africa.

The RAB drill program consisted of 30 holes totalling 802 metres and was conducted in a grid pattern to test the orientation and extent of a previously identified primary quartz vein. Historical assays of 5.93 grams per tonne gold, 4.83 grams per tonne gold and 4.12 grams per tonne gold over sample lengths of two metres, respectively, have been returned from trenching over the vein. In addition, recent rock samples taken from the dumps of local artisanal miners currently working the vein returned 2.49 grams per tonne gold.

The program was designed to test the top 30 metres of saprolitic rock. Samples were collected over three-metre intervals and were shipped to Actlabs in Ouagadougou, Burkina Faso.

The 178 square kilometre concession is located on the Boromo Greenstone Belt, same as the Company's Bouboulou Gold Concession and is proximal to the Kalsaka deposit and the Sabce shear. It is road accessible and has one major orpaillage (artisanal workings).

To date 556 pits and eleven trenches have been excavated, and rock and soil samples have been taken. A total of 1,137 samples have been collected. Previous programs have identified a zone which runs ENE and WSW occurring in the south central part of the concession. This zone has returned gold in soil samples up to 34 g/t Au, rock samples have returned values up to 18 g/t Au, and trenching has returned values of 4.85 g/t Au over 10 meters.

On January 11, 2017, the Company announced that it has received geochemical results from Actlabs Burkina Faso SARL, an ISO 9001:2008 certified independent lab, from its initial exploration program at the Niangouela Gold Concession located 60 kilometres north of Ouagadougou, Burkina Faso, West Africa.

The highlights of the program include sample NG005 taken from the primary quartz vein at 46 metres below surface

which returned a value of 2,950 g/t gold. In addition, sample NG006 was collected from the artisanal dumps of the sheared intrusive which returned a value of 23.9 g/t gold. These results indicate the presence of high-grade gold occurring within the primary quartz vein and the sheared intrusive envelope. These samples were selected and may not be representative of the mineralization hosted on the concession.

Results from the 802-metre RAB drilling program included an intersection from hole 19 proximal to the primary quartz vein which returned 1.05 g/t gold over 12 metres. Conducted in a broad grid pattern and designed to test the orientation and strike length of the primary quartz vein, the RAB program also set out to identify any potential off shoots or splays which may be associated with this primary structure. To this effect, the program successfully identified a secondary anomalous gold trend striking to the south west at an oblique orientation to the main east-west striking quartz vein. This 500-metre feature was identified by mineralized intersections occurring in holes 4, 13 and 15, which returned anomalous gold values over three metres respectively. All holes in the program were drilled to a depth range of 18 to 46 metres testing the saprolitic rock (soft rock) which sits at the top of the stratigraphy. Readers are cautioned that the above reported widths are drill intersections and not true widths.

The overall RAB drilling results indicate the gold bearing nature of the primary quartz vein. This vein has now been identified in trenches, artisanal workings and RAB drilling, extending over 1km (1000m) in length. It remains open in all directions.

On January 24, 2017, the Company received gold assays from five further samples taken from its Niangouela gold project located in Burkina Faso, Africa.

The Company's exploration team returned to the property in early January 2017 to further investigate the main quartz vein on the Niangouela permit. During this visit the Company's geologists recovered quartz vein material from two separate shafts currently being exploited by artisanal miners (orpilleurs).

Sample NG007, which was taken from material extracted from the eastern shaft and from a depth of approximately 60 meters, returned values of 403 grams per tonne gold. The sample consisted of several fragments of quartz vein material containing host rock inclusion, and containing steaks and blebs of coarse visible gold.

Sample NG008 was taken from the western shaft, 10 to 12 metres west of the eastern shaft. This sample consisted of a single large piece of primary quartz vein containing host rock inclusions and also showed a cluster of visible gold. NG008 returned values of 49.8 grams per tonne gold.

The samples were analysed by Actlabs Ouagadougou an independent ISO 9001 certified laboratory. Samples NG007 and NG008 underwent a metallic screen analysis whereby a representative 500 gram split is sieved at 100 mesh (149 micron) with assays performed on the entire +100 mesh and two splits (A and B in the table below) of the -100 mesh fraction. A final assay is calculated based on the weight of each fraction.

Sample	Au + 100 mesh g/mt	Au - 100 mesh (A) g/mt	Au - 100 mesh (B) g/mt	Total Au g/t
NG007	718	376	371	403
NG008	85.6	46	48.5	49.8

Three additional samples were collected and underwent conventional fire assaying at Actlabs. Sample NG009, a sample of sheared intrusive taken from the eastern shaft, returned 4.29 grams per tonne gold. Sample NG010, a sample of dump material consisting of sheared volcanic sedimentary rock, returned 0.113 grams per tonne gold. Sample NG011, from the primary quartz vein taken from a surface dump, returned 14.3 grams per tonne gold.

On February 23, 2017, the Company increased its phase one diamond drill program by an additional 1000 metres at its Niangouela Gold Project located in Burkina Faso, West Africa.

The Company originally planned a 1000 metre phase one diamond drill program on its 178 square kilometre Niangouela concession. The increased 1000 metres of diamond drilling is designed to test the primary quartz vein and associated shear zone at depth and along strike. The current program is targeting areas of gold anomalies identified from rock samples and Rotary Air Blast (RAB) drilling that was conducted by the Company in December 2016 and January 2017.

On March 2, 2017, the Company completed 1470 metres of its phase one drill program on the Niangouela permit in Burkina Faso.

A total of 14 holes were drilled totaling 1470.5 metres. Of the 14 holes drilled, 13 successfully intersected the targeted shear zone. One hole had to be abandoned due to ground conditions. Of the 13 holes, three holes reported intersections hosting visible gold. Drill holes NIA-17-DD-003, 006, and 009, reported visible gold occurring as small points, or clusters of points, with the gold present in contorted quartz veins occurring within the shear. The company has forwarded all samples for assay to ACTLAB's laboratory in Ouagadougou. The company will report all assay data once it has been received, reviewed and verified.

## **Risk Factors**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural exploration and evaluation assets. Due to the nature of the Company's proposed business and the present stage of exploration of its exploration and evaluation assets, the following risk factors, among others, will apply:

***Mining Industry is Intensely Competitive:*** The Company's business is the acquisition and exploration of exploration and evaluation assets. The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

***Resource Exploration and Development is Generally a Speculative Business:*** Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover resource deposits but from finding resource deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of resources and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

***Fluctuation of Metal Prices:*** Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

***Permits and Licenses:*** The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

***No Assurance of Profitability:*** The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its exploration and evaluation assets.

Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the

Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

**Uninsured or Uninsurable Risks:** The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

**Government Regulation:** Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

**Environmental Matters:** Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

**Insufficient Financial Resources:** The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of any significant exploration and development programs. The development of the Company's property will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its property. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such property. In addition, should the Company incur significant losses in future periods, it may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts significantly different from those reflected in its current financial statements. The Company estimates it will require additional finances within the next twelve months. As of April 30, 2017, the Company had cash of \$1,853,452.

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies, particularly junior resource exploration companies such as the Company. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to the Company or at all.

In recent years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of some companies, particularly those considered exploration stage companies, have experienced declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a consequence, despite the Company's past success in securing equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

**Dependence Upon Others and Key Personnel:** The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its exploration and evaluation asset; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability to obtain the operating resources to develop and maintain the property held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

**Price Fluctuations and Share Price Volatility:** In recent months, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

**Uncertainty of Resource Estimates/Reserves:** Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at its property, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's property may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven and probable reserves at its exploration and evaluation asset. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves at the Company's exploration and evaluation asset. The failure to establish proven and probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

**Surface Rights and Access:** Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right of law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the

courts in such jurisdiction.

**Title:** Although the Company has taken steps to verify the title to the exploration and evaluation asset in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee title. Title to exploration and evaluation assets may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

### **Three months ended April 30, 2017 compared to three months ended April 30, 2016**

During the three months ended April 30, 2017, the Company had net loss of \$588,580 as compared to a net loss of \$349,178 for the prior period. Significant amounts include:

- i) consulting fees of \$183,487 (2016 - \$39,714) increased as a result of an increase in corporate activities.
- ii) corporate development expenses of \$37,822 (2016 - \$62,381) decreased primarily as a result of a reduction in the use of marketing consultants.
- iii) foreign exchange loss of \$17,183 (2016 – gain of \$30,550) relates to the conversion of outstanding US dollar of reclamation bond, decommissioning liability, and accounts payable balances into the functional currency of the Canadian dollar.
- iv) investor relations costs of \$25,500 (2016 - \$Nil) were incurred relating to the development and execution of a comprehensive strategic communications program.
- v) management fees of \$162,500 (2016 - \$67,500) have increased due to the effect of amended management contracts and bonus' issued during the year with key personnel.
- vi) professional fees of \$15,511 (2016 - \$23,586) decreased due to decreased level of legal fees during the current period.
- vii) travel and promotion costs of \$96,540 (2016 - \$27,093) increased primarily as a result of management attending conferences and increasing exposure for the Company following its public listing.

### **QUARTERLY FINANCIAL INFORMATION**

The table below sets out the quarterly results for the past eight quarters:

	<b>April 2017</b>	<b>January 2017</b>	<b>October 2016</b>	<b>July 2016</b>
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	588,580	756,252	384,219	508,048
Loss for the period	(588,580)	(756,252)	(384,219)	(508,048)
Loss per share	(0.00)	(0.01)	(0.01)	(0.01)
	<b>April 2016</b>	<b>January 2016</b>	<b>October 2015</b>	<b>July 2015</b>
Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Operating expenses	349,178	297,541	409,000	283,913
Loss for the period	(349,178)	(297,541)	409,000	(283,913)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation and acquisition program and the timing and results of the Company's exploration activities on its current property, none of which are possible to predict with any accuracy. The variation in net loss can also be significantly affected by the timing of stock option grants and the resultant share-based payment charges.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company depended upon the junior capital markets to raise equity financing needed to fund its working capital requirements. The Company has no revenue generating operations from which it can internally generate funds. It

relies on either the sale of its own shares as needed, or the sale or option of its exploration and evaluation assets. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects.

When optioning properties the Company will sometimes issue its own stock to the vendor of the property as partial or full consideration for the property in order to conserve its cash.

At April 30, 2017, the Company had a working capital of \$1,420,701. This working capital will not be sufficient to enable us to cover current liabilities and anticipated expenses and continue all planned operations and property expenditures for the next 12 months, therefore additional equity will have to be raised in order to continue our planned activities.

## OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

## RELATED PARTY TRANSACTIONS

### *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 includes the Company's executive officers and Board of Director members.

During the three months ended April 30, 2017, the Company incurred the following:

- a) management fees of \$162,500 (2016 - \$67,500) to companies controlled by directors and officers of the Company.
- b) geological consulting fees of \$67,100 (2016 - \$15,000) to a director of the Company.

### *Loans*

	Three Months Ended April 30, 2017	Year Ended January 31, 2017
Balance, beginning of period	\$ 112,500	\$ 88,500
Advances	-	24,000
Balance, end of period	\$ 112,500	\$ 112,500

### *Due to related parties*

As at April 30, 2017, the Company owed \$39,676 (January 31, 2017 - \$40,442) to companies controlled by directors and officers and is included in Due to Related Parties. The amounts owing are unsecured and non-interest bearing and the parties have agreed not to seek repayment on or before January 31, 2018.

During the year ended January 31, 2017, \$14,175 was prepaid to management for management fee and the amount was expensed during the three months ended April 30, 2017.

## PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as of the date of the MD&A.

## OUTLOOK FOR THE NEXT QUARTER

The Company anticipates that it will continue its exploration programs at the Bouboulou and Nianguouela properties in Burkina Faso into the next quarter.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Accounts specifically requiring the use of management's best estimates and assumptions in determining the stated amounts related to deferred income taxes and the evaluation of fair value of exploration and evaluation assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

## **CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies for the period are detailed in the audited consolidated financial statements for the year ended January 31, 2017.

### **New accounting standards and interpretation**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2017. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

*Tentatively effective for annual periods beginning on or after January 1, 2018*

- New standard IFRS 9 *Financial Instruments*

IFRS 9 adds new requirements for impairment of financial assets and makes changes to the classification and measurement of financial instruments. When complete, IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standard; however, there will be enhanced disclosure requirements.

## **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at April 30, 2017 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of April 30, 2017 the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

## **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have not been any changes in our internal control over financial reporting or any other factors during the period ended April 30, 2017 that have materially affected, or are reasonably likely to materially affect our internal control over

financial reporting.

## **FINANCIAL INSTRUMENTS**

### **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 receivables, accounts payable and accrued liabilities 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.

#### **(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 and accrued liabilities trade payables are subject to interest on unpaid balances.

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.

ii. 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.

## SHARE DATA

As of the date of this report the number of common shares outstanding was 129,032,373.

At the date hereof, the Company has the following share purchase options outstanding:

Number of Shares	Exercise Price	Expiry Date
1,875,000	\$0.10	August 8, 2019
200,000	0.10	September 8, 2019
150,000	0.05	October 4, 2019
1,465,000	0.12	September 17, 2020
2,400,000	0.085	September 6, 2021
1,625,000	0.16	January 24, 2022
<b>7,715,000</b>		

As at the date hereof, the Company has the following warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
2,004,167	\$0.12	September 21, 2017
2,148,666	0.12	October 22, 2017
2,133,331	0.075	February 18, 2018
500,000	0.075	April 15, 2018
8,377,500	0.075	August 24, 2018
2,975,000	0.125	January 16, 2019
8,727,606	0.120	February 23, 2019
903,959	0.125	March 12, 2019
<b>27,770,229</b>		