NORDIC GOLD INC.
(Formerly Firesteel Resources Corp.)

Condensed Consolidated Interim Financial Statements
(Unaudited, Expressed in Canadian dollars)

For the three and nine months ended
October 31, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Nordic Gold Inc. is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

Nordic Gold Inc.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)
As at:

		October 31, 2018		January 31, 2018
ASSETS				
Current assets				
Cash	**$**	**4,107,112**	$	17,120,211
Amounts receivable		**1,557,785**		96,804
Prepaid expenses		**889,646**		270,974
Inventory		**1,742,720**		2,774,023
TOTAL CURRENT ASSETS		**8,297,263**		20,262,012
Non-current assets				
Property, plant and equipment (Note 3)		**38,156,662**		17,351,337
Reclamation bonds (Note 4)		**3,706,373**		3,802,718
Exploration and evaluation assets (Note 5)		**1,691,021**		1,691,021
Equity instruments (Note 6)		**9,000**		115,000
TOTAL ASSETS	**$**	**51,860,319**	$	43,222,088
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**5,921,478**	$	1,787,099
Non-current				
Convertible debentures (Note 7)		**587,360**		579,564
Gold forward sale derivative liability (Note 9)		**47,039,192**		22,049,708
Decommissioning and rehabilitation provision (Note 8)		**9,022,613**		9,255,965
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		**13,585,290**		8,297,744
Accumulated other comprehensive income		**(42,875)**		(118,686)
Contributed surplus		**2,451,295**		1,968,295
Deficit		**(26,704,034)**		(5,380,773)
TOTAL SHAREHOLDERS' EQUITY		**(10,710,324)**		4,766,580
Non-controlling interest		**-**		4,783,172
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**$**	**51,860,319**	$	43,222,088

Nature of Operations (Note 1)
Contingencies (Note 14)

Approved on December 20, 2018 on behalf of the Board:

"Michael Hepworth"
Michael Hepworth - Director

"Ernest Cleave"
Ernest Cleave – Director

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

Nordic Gold Inc.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited, Expressed in Canadian dollars)
For the three and nine months ended

	Three months ended October 31,		Nine months ended October 31,	
	2018	2017	**2018**	2017
Expenses				
Management and consulting	**$ 90,175**	$ 57,450	**$ 416,340**	$ 149,150
Professional fees	**152,730**	6,400	**302,856**	23,570
Transfer agent and filing fees	**8,008**	3,383	**22,781**	12,069
Shareholder information	**24,973**	(20,362)	**94,571**	185,832
Share-based compensation	**-**	174,000	**573,000**	174,000
Travel	**134,076**	25,485	**285,937**	25,485
Office and general	**25,275**	10,593	**58,110**	31,455
	435,238	**256,949**	**1,753,596**	**601,561**
Other (income) / expenses				
Interest expense	**(43,994)**	20,050	**(9,795)**	30,996
Foreign exchange	**(1,081,884)**	477	**(1,525,648)**	2,960
Accretion interest	**13,719**	42,885	**40,709**	44,537
Gain on valuation of embedded derivative liability	**(143,678)**	-	**(43,185)**	-
Loss on valuation of gold forward sale derivative liability	**12,754,534**	-	**21,091,584**	-
Gain on sale of exploration and evaluation asset	**-**	-	**-**	(330,286)
Loss on equity investments	**-**	48,657	**106,000**	48,657
Other comprehensive loss				
Unrealized loss on available-for-sale investment	**-**	17,000	**$ -**	46,000
Net loss (income) for the period	**11,933,935**	386,018	**$21,413,261**	(444,425)
Basic and diluted loss per common share	**$0.08**	$0.00	**$0.15**	$0.00
outstanding	**146,140,781**	87,587,273	**144,578,046**	78,146,118
Net loss (income) for the period	11,933,935	386,018	**$21,413,261**	(444,425)
Items that may be reclassified to statement of loss and comprehensive loss				
Currency translation adjustment	**43,440**	-	42,875	-
Comprehensive loss	**11,977,375**	**386,018**	**$21,456,136**	**(444,425)**

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

Nordic Gold Inc.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, Expressed in Canadian dollars)
For the three and nine months ended

	October 31, 2018	October 31, 2017
Cash flows from Operating activities		
Net loss for the period	**$ 21,413,261**	$ 444,425
Item not affecting cash:		
Accretion expense	**(40,709)**	(44,536)
Interest expense	**(28,205)**	(20,118)
Loss on valuation of derivative liabilities	**(21,048,399)**	-
Gain on sale of mineral property	**-**	330,286
Loss on disposal of marketable security		(48,657)
Unrealized foreign exchange loss gain	**208,182**	-
Loss on equity instruments	**(106,000)**	(46,000)
Share-based compensation	**(573,000)**	(174,000)
	(174,869)	441,400
Changes in non-cash working capital items:		
Other current assets	**618,672**	(845)
Amounts receivable	**1,460,981**	3,995
Accounts payable and accrued liabilities	**(4,134,379)**	(251,714)
Net cash flows (used in)/from operating activities	**(2,229,595)**	(248,564)
Cash flows from Investing activities		
Investment in mineral property and equipment	**20,137,907**	2,156,272
Proceeds from sale of marketable security	**-**	(386,343)
Net cash flows (used in) investing activities	**20,137,907**	1,769,929
Cash flows from Financing activities		
Proceeds from gold forward sale	3,897,900	-
Proceeds from exercise of stock options	30,000	-
Share subscription receivable	**-**	(38,400)
Issue of common shares	**-**	(1,006,629)
Share issuance costs	**-**	90,467
Proceeds from convertible debentures	**-**	(419,000)
Advances from related parties	**-**	(600,000)
Net cash flows provided by financing activities	**3,927,900**	(1,973,562)
Effects of exchange rate changes on cash	**(967,313)**	
Net decrease/increase in cash during the period	**(13,013,099)**	10,797
Cash, beginning of the period	**17,120,211**	155,271
Cash, end of the period	**$ 4,107,112**	$ 166,068

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

Nordic Gold Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, Expressed in Canadian dollars)

	Shares \#	Share Capital $	Share Subcription Receivable $	Contributed Surplus $	Deficit $	AOCI $	Shareholders' Equity $	Non Controlling Interest	Total Shareholders' Equity $
Balance, January 31, 2017	**72,165,553**	**7,376,768**	**(38,400)**	**1,697,926**	**(6,935,638)**	**$ -**	**$ -**	**$ -**	**2,100,656**
Share subscription	-	-	38,400	-		-	-	-	38,400
Proceeds of unit issuance	15,421,720	1,074,027	-	82,602	-	-	-	-	1,156,629
Unit issuance cost	-	(90,467)	-	-	-	-	-	-	(90,467)
Finder's warrants	-	(13,000)	-	13,000	-	-	-	-	-
Shares issued on conversion of	-	8,802	-	-	-	-	-	-	8,802
Share-based payments	-	-	-	174,000	-	-	-	-	174,000
Income (loss) for the period	-	-	-	-	(444,425)	-	-	-	(444,425)
Equity component of debentures	-	-	-	117,762	-	-	-	-	117,762
Balance, October 31, 2017	**87,587,273**	**8,356,130**	**-**	**2,085,290**	**(7,380,063)**	**-**	**-**	**-**	**3,061,357**
Balance, January 31, 2018	**87,625,773**	**8,297,744**		**1,968,295**	**(5,380,773)**	**(118,686)**	**4,766,580**	**4,783,172**	**9,549,752**
Common shares issued,	58,417,182	5,257,546	-	-	-	-	-	-	**5,257,546**
Acquisition of Marknad AB (40%)	-	-	-	-	-	-	-	(4,783,172)	**(4,783,172)**
Stock options exercised	300,000	30,000	-	-	-	-	-	-	**30,000**
Warrants expired	-	-	-	(90,000)	90,000	-	-	-	**-**
Share-based payments	-	-	-	573,000	-	-	-	-	**573,000**
Income (loss) for the period	-	-	-	-	(21,413,261)	75,811	-	-	**(21,337,450)**
Balance, October 31, 2018	**146,342,955**	**13,585,290**		**2,451,295**	**(26,704,034)**	**(42,875)**	**(10,710,324)**	-	**(10,710,324)**

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

1. NATURE OF OPERATIONS

Nordic Gold Inc., formerly Nordic Gold Corp. and formerly Firesteel Resources Inc. ("Nordic" or the "Company") is engaged in the development of the Laiva Mine in Finland and exploration and evaluation of a resource property in Canada. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "NOR" and is incorporated and domiciled in Canada.

These condensed interim consolidated financial statements were approved by the Board of Directors on December 20, 2018.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, (IAS 34) Interim Financial Reporting using policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Unless otherwise stated, these condensed interim consolidated financial statements have been prepared using the same accounting policies and method of computation as presented in Note 2 of the annual consolidated financial statements of the Company as at and for the year ended January 31, 2018 with the exception of the adoption of IFRS 15 and IFRS 9 effective February 1, 2018.

IFRS 15 – Revenue from contracts with customers The Company adopted IFRS 15 effective February 1, 2018. IFRS 15 addresses revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain benefits from the good or service. The Company did not previously have a revenue policy and there were no significant changes in accounting.

The following is the new accounting policy for revenue recognition under IFRS 15: Revenue Recognition Revenue is generated from the sale of metals. The Company produces gold dore, which also includes copper and silver. The Company's performance obligations relate primarily to the delivery of dore to customers, with each shipment representing a separate performance obligation. Revenue from the sale of gold dore is recognized at the point the customer obtains control of the product. Control is transferred when title has passed to the purchaser and the customer controls the risks and rewards of ownership and the Company has a present right to a payment for the product. Gold dore is sold under pricing arrangements where final prices are determined by market prices subsequent to the date of sale (the Quotational Period or "QP"). Revenue from dore sales is recorded at the amounts estimated to be received on the date the criteria for recognizing revenue are met. Adjustments are made to settlements receivable in subsequent periods based on fluctuations in market prices until the date of final metal pricing. These subsequent changes in the fair value of settlements receivable are recorded in revenue but shown separately from revenue arising from contracts with customers.

IFRS 9 – Financial Instruments the Company adopted IFRS 9 effective February 1, 2018. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, at fair value through other comprehensive income, and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial

2. BASIS OF PRESENTATION (Continued)

liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings. The requirements in IAS 39 for classification and measurement were carried

forward to IFRS 9 and the Company's accounting policy with respect to financial liabilities remains unchanged. As a result of the adoption of this standard, the Company has changed its accounting policy for financial assets. The change did not impact the carrying value of any financial assets on the transition date, February 1, 2018. The following is the new accounting policy for accounts receivable under IFRS 9. All other aspects of our accounting policies for financial instruments as disclosed in Note 4 to the audited consolidated financial statements for the year ended January 31, 2018 are unaffected.

New standards not yet adopted Certain pronouncements were issued by the IASB or IFRIC that are not mandatory for accounting periods beginning on or after February 1, 2018 or later periods. They have not been early adopted in these condensed consolidated interim financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below: IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The Company is in the process of assessing the impact, if any, on the financial statements of this new standard. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

Foreign currencies and functional currency

These Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using their functional currency. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of Del Fuego is the Mexican Peso. The functional currency of Nordic Mines Marknad AB is the US dollars. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the Statement of Financial Position date. Non-monetary items that are measured in terms of historic cost in a foreign currency are translated at rates at the date of the initial transaction. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange differences are recognized in the Statement of Loss and Comprehensive Loss in the period in which they arise.

2. BASIS OF PRESENTATION (Continued)

The financial statements of entities that have a functional currency different from that of the Company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the applicable period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as currency translation differences and taken into a separate component of equity.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiaries. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. All intercompany transactions and balances have been eliminated on consolidation. Companies acquired or disposed of during the period are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

Subsidiaries of the Company at October 31, 2018 included:

Name of Subsidiary	Percentage Ownership
Minera Acero Del Fuego, S.A.	100%
Nordic Mines Marknad AB	100%
Nordic Mines OY	100%

Critical accounting estimates and judgments

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements, and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results could differ from those estimates and such differences could be significant.

ARO

Rehabilitation and restoration provision The Company has obligations for the future restoration of its mining tenements. In most instances, removal of assets and restoration of surrounding area occurs many years into the future. This requires judgmental assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining removal cost, and asset specific discount rates to determine the present value of these cash flows

2. BASIS OF PRESENTATION (Continued)

Property, Plant and Equipment

The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

Achievement of Production Phase Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company's reach this level. Management considers several factors including, completion of a reasonable period of commissioning, consistent operating results are being achieved at a pre-determined level of design capacity.

Share-Based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions are disclosed in Note 10 (c).

Income, value added, withholding and other taxes

The Company its subsidiaries and its associate are subject to income, value added, withholding and other taxes. Significant judgment is required in determining the provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recoverability of Exploration and Evaluation properties

The Company is in the process of exploring and evaluating its properties and has not yet determined whether the exploration and evaluation properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

(Expressed in Canadian dollars)

3. PROPERTY, PLANT AND EQUIPMENT

On 8 September 2017, Nordic signed an Agreement (the "Agreement") to acquire up to 100% of Nordic Mines Markand, a wholly-owned subsidiary of Nordic Mines AB ("NOMI"). Under the Agreement, Firesteel had the exclusive right and option to acquire an initial 10% interest in Nordic Mines Markland (the "First Level Interest"), an additional 41% interest (the "Second Level Interest"), an additional 9% interest (the "Third Level interest"), and the final 40% interest (the "Minority Buy-Out Option) by completing the conditions listed below:

	Aggregate Interest in property		Cash paid To Nordic Mines Oy	Shares issued to NOMI(i)
First Level Interest (10% interest) (ii)	10%	$	1,300,000	-
Second Level Interest (additional 41% interest) (ii)	51%	$	17,000,000	-
Third Level Interest (additional 9% interest) (ii)	60%	$	4,000,000	-
Minority Buy-Out Option (additional 40% interest) (iii)	40%	$	-	58,417,182
	100%		22,300,000	58,417,182

(i) Fully paid common shares of Nordic

(ii) As at 31 January 2018, Firesteel has achieved its first, second and third level interest

(iii) On 8 February 2018, Nordic completed the minority buy-out option to acquire the remaining 40% of Nordic Mines Marknad from NOMI (refer to note 24)

For accounting purposes, Nordic Mines Marknad is not considered as a business under IFRS 3 "Business Combinations" as at the time of the acquisition it was not capable of generating outputs that can provide a return to Nordic. As a result, the Nordic Mines Arrangement has been accounted for as an asset acquisition.

The allocation of the consideration to the assets and liabilities acquired on December 8, 2017 is as follows:

Allocation of assets and liabilities		
Current assets	$	2,948,884
Reclamation bond		3,705,190
Property and equipment		24,107,578
Current liabilities		(4,536,687)
Decommissioning provision		(9,148,797)
Non-controlling interest		(5,257,546)
	$	11,818,622

The total consideration relating to the Nordic Mines Arrangement is summarized below:

Consideration		
Consideration	$	7,886,320
Transaction costs		3,932,302
Total consideration	$	11,818,622

On 8 February 2018, the Company issued 58,417,182 common shares to acquire the remaining 40% of Nordic Mines Marknad. On the date of issuance, these shares had a fair market value of $0.09 per share, resulting in a fair value $5,257,546 In addition, the Company incurred transaction costs totalling $3,932,302 in connection with the acquisition of Nordic Mines Marknad.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The 40% interest portion acquired during the period has been accounted for as follows:

Share consideration representing total consideration: $5,257,546

Total consideration paid greater than the non-controlling interest that existed as at February 8, 2018 has been allocated to PPE.

4. RECLAMATION BONDS

The reclamation bonds represent cash that has been placed in trust as security to the appropriate party relating to the Company's site closure obligations. The total reclamation deposits of $3,706,373 as at October 31, 2018 consisted of:

Security deposits of totalling $3,564,304 (EUR 2,394,441) (2017 - $nil) for government reclamation bonds for the Laiva Mine project. These security deposits were posted with a Finnish financial institution.

A security Deposit of $104,569 (EUR 65,000) (2017- $nil) held for the Finnish Safety and Chemical Agency. The security deposit was posted with a Finnish financial institution.

A security deposit of $37,500 (2017 - $37,500) in favour of the BC Ministry of Energy and Mines prior to commencement of surface work on the Sheslay Project. A security deposit for this amount was posted with a Canadian financial institution.

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the Sheslay (formerly, Copper Creek), property located in Canada.

On 13 March 2017, the Company sold all of its interest in ROK Coyote for 1,500,000 Colorado shares plus 1,500,000 warrants priced at $0.45 valid for 2 years.

During the year ended 31 January 2017, the Company entered into a joint venture agreement. The joint venture agreement specifies that Prosper and Nordic will contribute funds to continue explorations on the Sheslay Property based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Nordic.

(Expressed in Canadian dollars)

6. EQUITY INSTRUMENTS

Equity instruments consist of non-transferable warrants in CXO. The Company acquired a total of 1,500,000 warrants for with a fair market value $180,000. The fair value of warrants was determined using the Black-Scholes pricing model as at acquisition date.

The warrants have an exercise price of $0.45 per share and expire on March 13, 2019. The Company's total investment in CXO does not represent significant influence. CXO's fair value movements were summarized as follows:

		Fair Value		Accumulated Mark to market (loss)
Purchase through sale of claims		180,000		
Balance, beginning of period		115,000		(65,000)
Change in fair value		(106,000)		(171,000)
Balance, end of period	**$**	**9,000**	**$**	**(171,000)**

7. CONVERTIBLE DEBENTURES

On 26 June 2017, the Company issued $220,000 convertible debentures to fund its working capital. The debentures are unsecured, bear interest at 9% per annum, are due on June 30, 2020 and can be converted into common shares of the Company at $0.10 per unit. The convertible feature of the convertible debenture is accounted for as an embedded derivative liability. The assumptions in valuing the embedded derivative on issuance include an expected volatility of 93%, a risk-free rate of 1.17%, and an expected remaining life of 3.0 years resulting in a fair value of $47,967. The assumptions in valuing the embedded derivative as at October 31, 2018 include an expected volatility of 76%, a risk free interest rate of 1.89% and an expected remaining life of 2.17 years, resulting in a fair value of $100,671. Accordingly, the Company recognized a gain on valuation of the derivative liability in the amount of $22,674 for the nine-month period ended October 31, 2018.

The Company also issued 176,000 Debenture finder's warrants exercisable at $0.10 to purchase one additional common share at a price of $0.10 for a period of two years from the date of closing. On 28 July 2017, the Company issued a further $199,000 in convertible debentures to fund its working capital and acquisition of Nordic Mines Marknad AB. The debentures are unsecured, bears interest at 9% per annum, is due on June 30, 2020, and can be converted into common shares of the Company at $0.10 per unit. The assumptions in valuing the embedded derivative on issuance include an expected volatility of 93%, a risk-free rate of 1.33%, and an expected remaining life of 2.93 years resulting in a fair value of $43,389. The assumptions in valuing the embedded derivative as at October 31, 2018 include an expected volatility of 76%, a risk free interest rate of 1.89% and an expected remaining life of 2.17 years, resulting in a fair value of $91,061. Accordingly, the Company recognized a gain on valuation of derivative liability in the amount of $20,511 for the nine-month period ended October 31, 2018.

(Expressed in Canadian dollars)

8. DECOMMISSIONING AND REHABILITATION PROVISION

		31-Oct 2018		31-Oct 2017
Balance, beginning of year	$	9,426,269	$	-
Foreign exchange		(421,589)	$	-
Accretion expense		17,933		-
Balance, end of period		**9,022,613**		**-**

The decommissioning and rehabilitation provision are comprised of costs expected to be incurred relating to future remediation and closure activities at the end of the life of the Laiva mine in Finland. These activities include water treatment (cleaning of the mine waters for the sulfidic waste rock and tailings area), land rehabilitation, ongoing care and maintenance on water pumps and pipes, and other reclamation and closure related requirements.

The total inflation adjusted estimated cash flows required to settle the decommissioning and rehabilitation provision is estimated to be $9,242,661 (2017 - $nil), with expenditures expected to be incurred over the course of the next 7 years and upon closure. In determining the carrying amount of the decommissioning and rehabilitation provision as at 31 January 2018, the Company has used a risk-free discount rate of 0.19% and an inflation rate of 0.81% which are the published Finnish rates.

9. GOLD FORWARD SALE DERIVATIVE LIABILITY

In November 2017, the Company entered into a pre-paid Forward Gold Purchase Agreement (the “PPF Agreement”) with PFL Raahe Holdings LP (“PFL”). Under the PPF Agreement, PFL has advanced to the Company an amount of $25,395,680 (USD$20,600,000) (the “Gold Prepayment Amount”) in one tranche as partial consideration for the purchase of a total of 67,155 ounces of gold. PFL will be entitled to purchase 67,155 ounces of the gold production from Nordic at market price, less a discount of USD$500, from months 18 to 60 commencing on January 1, 2019. During the quarter an additional $3,897,900 (USD$ 3,000,000) was advanced to the Company and will be repaid as additional ounces to the initial PPF Agreement under the same terms unless the funds advanced are repaid prior to June 30, 2019.

During the fiscal year ended January 31, 2018, the Company incurred financing fees of $739,680 (USD$600,000) associated with this arrangement.

The Gold Prepayment Amount has not been accounted for as deferred revenue as it may be settled through the delivery of non-financial items (i.e., gold) and/or financial assets (i.e., shares of Nordic), at the option of the buyer. Instead, the Gold Prepayment Amount is accounted for as a derivative under IAS 9, *Financial Instruments*. It is the Company’s intention, if possible, to settle the obligations under the arrangement through gold production.

(Expressed in Canadian dollars)

9. GOLD FORWARD SALE DERIVATIVE LIABILITY (Continued)

The derivative liability was initially recorded at fair value based on the value of the consideration paid to PFL and is re-measured at fair value on a re-occurring basis at each period end with changes in value being recorded within the statement of loss. As a result of the additional funding of US$ 7,000,000 with the 1st tranche of US$ 3,000,000 being advanced this quarter and the removal of Section 23 (contract quantity exchange option) of the original agreement, the valuation as at October 31, 2018 was based on the following:

- As at October 31, only tranche 1 ($3M) was issued. Valuation takes into account this tranche only.
- Further Technical Costs: assumed that additional quarterly fee is $20,000 USD.
- Upside Participation Amount: this part consists of 2 scenarios. (a) If the Seller fails to raise the equity and prepay all of the Supplemental Tranches Dollar Equivalent, the value of this part is models as a strip of options. (b) in case the equity financing is successful, it is valued as the original Upside participation amount. The final fair value of the Upside Participation Amount is the weighted average of cases (a) and (b). Note that the new strike (Base Spot Price) is now $1200.
- Supplemental Tranche Prepayments: similar to the Upside Participation Amount, there are 2 scenarios: (a) Seller fails to raise the equity and (b) the equity financing is successful. In (a), the Seller has to provide the Buyer with a security package, which is equivalent to scenario (a) of the Upside Participation Amount. In scenario (b) the fair value would be calculated by multiplying the probability of equity financing with the forward value of the additional gold delivery, minus the Supplemental Tranches Dollar Equivalent, minus the equity forward (which takes into account the effect of dilution). We note that as at the valuation date, the probability of equity financing is zero, hence the value of this part is zero.
- Buyer fee: a fee of $1.5M is added regardless of the outcome of equity financing
- Buyer Royalty Payment: the Seller has to pay 2.5% of Net Smelter Return which is calculated based on the projected Mine's production (5500 ounces/month)
- Credit spreads: we have used the same indices as at the previous valuation dates for calculating the CDS

As at October 31, 2018 the revaluation and balance is as follows:

		31-Oct 2018		31-Oct 2017
Balance, beginning of period	$	22,049,708	$	-
Revaluation of derivative		24,989,484		-
Balance, end of period		**47,039,192**		**-**

Pursuant to the terms of the PPF Agreement, the Gold Repayment Amount is secured against the intergroup loans made by Nordic to Nordic Mines Marknad and Nordic Mines Oy and all loans granted by Nordic to Nordic Mines Marknad and Nordic Mines Oy. In addition, Nordic has agreed to create and assign to PFL a first ranking security interest in the following assets of Nordic Mines Oy: all bank accounts, the real estate mortgage notes and all rights and interests in the property of Noridc Mines Oy, whether real or leasehold, including its buildings and constructions, as well as other assets including furnishings and fixtures.

10. SHARE CAPITAL AND OTHER EQUITY RESERVES

a. Authorized capital

Unlimited number of common voting shares, without par value
Unlimited number of preferred shares, without par value

On August 10, 2018 300,000 stock options were exercised by Directors of the Company at $.10.

On July 6, 2018, the Company granted 500,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.14 and are valid for a period of five years from the date of grant.

On June 23, 2018, the Company granted 300,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.15 and are valid for a period of five years from the date of grant.

On June 13, 2018, the Company granted 3,375,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.14 and are valid for a period of five years from the date of grant.

On 3 April 2018, the Company granted 800,000 options to a consultant of the Company. The options have an exercise price of $0.10 and are valid for a period of five years from the date of grant.

On 8 February 2018, the Company announced that it has exercised its minority buy-out right to acquire the remaining 40% interest in the share capital of Nordic Mines Marknad AB from NOMI. Following such acquisition, Nordic is the 100% owner of Nordic Mines Marknad AB, and indirectly, the 100% owner of the Laiva Gold Mine, located in Finland.

Regarding the exercise of the minority buy-out right, Nordic issued to NOMI 58,417,182 common shares at a price of $0.09 per share. These shares represent 40% of Nordic's issued and outstanding shares on the date of the transaction.

On 28 July 2017, the Company closed a private placement for 10,665,183 units ("Units") for $0.075 per unit. Each Unit consists of one common shares ("Share") and one half of one common share purchase warrant ("Warrant"), with each full Warrant exercisable for 24 months at an exercise price of $0.15. The Company also issued 102,808 finder's warrants exercisable at $0.075 to purchase one additional Unit.

On 26 June 2017, the Company closed a private placement for 4,756,537 units ("Units") for $0.075 per unit. Each Unit consists of one common shares ("Share") and one half of one common share purchase warrant ("Warrant"), with each full Warrant exercisable for 24 months at an exercise price of $0.15. The Company also issued 250,985 finder's warrants exercisable at $0.075 to purchase one additional Unit.

(Expressed in Canadian dollars)

10. SHARE CAPITAL AND OTHER EQUITY RESERVES (Continued)

b. Stock options

As at October 31, 2018, a summary of stock options outstanding and exercisable was as follows:

Grant date	Options Outstanding	Options exercisable	Exercise Price	Expiry date	Remaining contractual life
13-Jul-13	1,150,000	1,150,000	$0.10	18-Jul-19	0.71 years
02-Oct-14	1,200,000	1,200,000	$0.05	02-Oct-19	0.92 years
28-Dec-16	1,100,000	1,100,000	$0.05	28-Dec-21	3.16 years
20-Sep-17	2,500,000	2,500,000	$0.08	20-Sep-22	3.89 years
20-Dec-17	50,000	50,000	$0.10	20-Dec-22	4.14 years
03-Apr-18	800,000	800,000	$0.10	03-Apr-23	4.42 years
13-Jun-18	3,375,000	3,375,000	$0.14	13-Jun-23	4.62 years
27-Jun-18	300,000	300,000	$0.15	27-Jun-23	4.66 years
06-Jul-18	500,000	500,000	$0.14	06-Jul-23	4.68 years
	10,975,000	10,975,000			

10. SHARE CAPITAL AND OTHER EQUITY RESERVES

Stock option activity during the year is summarized as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
	#	$
Outstanding, February 1, 2018	6,250,000	0.07
Granted	6,025,000	0.14
Exercised	(300,000)	0.10
Expired	(1,000,000)	0.10
Outstanding, October 31, 2018	**10,975,000**	**0.12**

c. Share-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is estimated by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, expected dividend yields, expected volatility factors of the expected market price of the Company's common shares and expected life of the options. During the period ended October 31, 2018, the Company recognized share-based compensation of $nil (2017 - $nil).

(Expressed in Canadian dollars)

10. SHARE CAPITAL AND OTHER EQUITY RESERVES (Continued)

d. Warrants

As at October 31, 2018, a summary of warrants outstanding and exercisable was as follows:

WARRANT ACTIVITY	31-Oct-18	Weighted Average Exercise Price	31-Oct-17	Weighted Average Exercise Price
Balance - Beginning of period	14,099,353	0.15	-	
Issued	-	-	5,738,000	0.15
Exercised	-	-	-	-
Expired	-	-	-	-
Balance - End of period	14,099,353	0.15	5,738,000	0.15

As at October 31, 2018, 5,738,000 warrants expire January 19, 2019, 2,766,754 warrants expire June 26, 2019, and 5,594,600 expire July 28, 2019.

11. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below.

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of members of the Company's Board of Directors and the Company's Chief Executive Officer and Chief Financial Officer.

The remuneration to key management personnel during the three months ended Ocober 31, 2018 and 2017 is as follows:

	2018 $	2017 $
Short-term benefits*	198,000	111,600
Share based compensation	390,000	25,000
	588,000	136,600

*includes consulting fees, management fees and other employment benefits, pursuant to consultancy arrangements

(Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

The Company has one reportable segment, being the acquisition and exploration of gold resource properties. The following table provides segmented disclosure of assets and liabilities based on geographic location:

	Canada	Finland	Total
31-Oct-18			
Current assets	2,116,742	6,180,520	**8,297,262**
Non-current assets			**-**
Other non-current assets	9,000	3,706,373	**3,715,373**
Property and equipment	-	38,156,662	**38,156,662**
Exploration and evaluation assets	1,691,021	-	**1,691,021**
Liabilities			
Current liabilities	4,293,273	5,526,105	**9,819,378**
31-Oct-17			
Current assets	219,195	-	**219,195**
Non-current assets			
Other non-current assets	2,290,272	-	**2,290,272**
Exploration and evaluation assets	1,691,021	-	**1,691,021**
Liabilities			**-**
Current liabilities	802,159	-	**802,159**

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The fair value of the Company's cash, amounts receivable and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the consolidated statement of financial position due to their short term maturity.

Risk management is carried out by the Company's management team under polices approved by the Board of Directors. The Board of Directors also provides reward guidance for overall risk management. There has been no significant change in the risks, objects, policies and procedures during 2018 and 2017. As at October 31, 2018, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Continued)

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, reclamation bonds, and amounts receivable. Cash and cash equivalents consist of cash held at a Canadian bank. A substantial portion of the Company's amounts receivable is Input Tax Credit. The carrying amount of amounts receivable represents the maximum credit exposure.

Management monitors the exposure to credit risk on an ongoing basis and does not consider such risk significant at this time.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses. The carrying value of accounts payable and accrued liabilities approximates its fair value due to their relatively short period to maturity. As at October 31, 2018, the Company had a working capital balance of $2,375,785. The Company is not exposed to significant liquidity risk.

The contractual undiscounted future cash flows of the Company's significant non-derivative financial liabilities are as follows:

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's operations, net earnings or the value of financial instruments

d) Foreign currency risk

Foreign exchange risk is the risk that variations in exchange rates between foreign currencies will affect the Company's operating and financial results. The Company is exposed to significant foreign currency risk as a 5% shift in foreign exchange rates would result in an impact of approximately $29,880.

Interest rate risk is the risk that interest rate fluctuations will affect the Company's operating and financial results. Management does not believe that the Company is exposed to significant interest rate risk.

e) Commodity price risk

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Commodity prices are impacted by global economic events that dictate the levels of supply and demand. Nordic's management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when it deems appropriate.

The Company is exposed to commodity price risk with respect to the price of gold. Commodity price risk is defined as the potential impact on earnings and economic value due to price movements. The Company closely monitors prices of gold to determine the appropriate course of action to be taken by the Company. Price risk could adversely affect the Company. The Company's future profitability and viability of development depends upon the market price of gold.

14. CONTINGENT LIABILITY

The Company received a notice of assessment from the Canada Revenue Agency (CRA) in October 2017 for the years ended January 31, 2014 and 2015, regarding a disallowed BC Mining Tax Credit application amounting to approximately $266,000. Management disagrees with the notice of assessment, and intends to dispute the notice. As at October 31, 2018, management has assessed that payment of the balance is not probable.

15. SUBSEQUENT EVENTS

On December 7, 2018, the Company completed the requirements for a minor name change from Nordic Gold Corp. to Nordic Gold Inc.

On November 19, 2018 the Company announced that it finalized all documents in relation to PFL Raahe Holdings LP ("PFL") providing US$ 7 million in additional funding to the Company in addition to the removal of Section 23 of the original agreement in its entirety. The Company will be obligated to deliver additional scheduled monthly quantities of gold. This included the issuance of 38,158,549 common shares to PFL.

The Company also announced on November 19, 2018 that it has closed a $725,000 tranche of its previously announced private placement consisting of units consisting of one common share and one common share purchase warrant.