

NEXUS GOLD CORP.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014**

Expressed in Canadian Dollars

Unaudited – Prepared by Management

Head office and registered and records office address

720-700 West Pender Street
Vancouver BC,
V6C 1G8

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

NEXUS GOLD CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

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NEXUS GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

	October 31, 2015	January 31, 2015
ASSETS		
Current		
Cash	\$ 38,132	\$ 673,144
Commodity tax recoverable	17,660	33,217
Prepays	221,262	244,743
	277,054	951,104
Deposit	15,587	10,200
Reclamation bond (Note 5)	53,388	53,388
Exploration and evaluation advance (Note 5)	-	93,563
Exploration and evaluation assets (Note 5)	1,845,736	749,898
	\$ 2,191,765	\$ 1,858,153
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 470,037	\$ 418,221
Related party loan (Note 9)	17,500	2,500
	487,537	420,721
Due to related parties (Note 9)	175,784	141,086
	663,321	561,807
Shareholders' equity		
Share capital (Note 8)	4,500,246	3,265,176
Share-based payment reserve (Note 8)	972,587	823,272
Subscriptions received in advance	-	134,262
Deficit	(3,944,389)	(2,926,364)
	1,528,444	1,296,346
	\$ 2,191,765	\$ 1,858,153

Nature and continuance of operations (Note 1)
Commitments (Note 13)

On behalf of the Board:

"Peter D. Berdusco" Director _____
"Alex Klenman" Director

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

NEXUS GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	Three months ended October 31,		Nine months ended October 31,	
	2015	2014	2015	2014
EXPENSES				
Consulting fees (Note 9)	\$ 70,761	\$ 15,476	\$ 140,053	\$ 67,476
Corporate development	36,090	97,083	202,182	97,083
Director fees	-	37,500	-	37,500
Filing fees	5,605	15,239	17,232	15,635
Foreign exchange loss	22,336	1,856	35,271	7,841
Insurance	2,362	-	13,006	-
Interest expense	35,301	-	35,301	-
Investor relations	6,750	-	37,500	-
Management fees (Note 9)	67,500	30,000	202,500	90,000
Office and miscellaneous	9,408	16,822	34,573	33,081
Professional fees	27,494	22,750	56,185	138,893
Share-based payments (Note 8)	119,164	219,483	182,852	219,483
Travel and promotion	6,229	416	61,370	5,081
	(409,000)	(456,625)	(1,018,025)	(712,073)
Write-off of exploration and evaluation assets (Note 5)	-	(26,000)	-	(26,000)
Charge related to public company listing (Note 3)	-	-	-	(895,982)
Loss and comprehensive loss for the period	\$ (409,000)	\$ (482,625)	\$ (1,018,025)	\$ (1,634,055)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.07)
Weighted average number of common shares outstanding	46,770,444	31,340,469	43,872,326	23,862,301

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

NEXUS GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	Number of shares	Share capital	Share-based payment reserve	Subscriptions received in advance	Deficit	Total equity (deficiency)
Balance, January 31, 2014	5,742,860	\$ 408,042	\$ 517,086	\$ -	\$ (1,005,777)	\$ (80,649)
Shares of CSR issued for private placements	5,094,243	588,221	-	-	-	588,221
Shares of CSR issued for debt settlement	1,505,432	278,505	-	-	-	278,505
Shares of CSR issued for exploration and evaluation assets	150,000	18,000	-	-	-	18,000
Shares of CSR exchanged on RTO	(9,335,321)	-	-	-	-	-
Company's balance prior to RTO	8,431,000	950,487	90,990	-	(457,859)	583,618
RTO adjustments	-	(950,487)	(90,990)	-	457,859	(583,618)
Shares issued in concurrent financing	3,975,000	397,500	-	-	-	397,500
Shares of Company issued for RTO	17,270,346	843,100	-	-	-	843,100
Share-based payments	-	-	219,483	-	-	219,483
Subscriptions received in advance	-	-	-	50,000	-	50,000
Warrants issued	-	(95,023)	95,023	-	-	-
Finder's fees	-	(20,000)	-	-	-	(20,000)
Loss for the period	-	-	-	-	(1,634,055)	(1,634,055)
Balance, October 31, 2014	32,833,560	\$ 2,418,345	\$ 831,592	\$ 50,000	\$ (2,639,832)	\$ 660,105
Balance, January 31, 2015	41,543,560	\$ 3,265,176	\$ 823,272	\$ 134,262	\$ (2,926,364)	\$ 1,296,346
Shares issued for private placements	9,747,917	1,124,762	-	(134,262)	-	990,500
Shares issued for evaluation and exploration assets	370,000	46,250	-	-	-	46,250
Share issuance costs	-	(14,479)	-	-	-	(14,479)
Share-based payments	-	-	182,852	-	-	182,852
Options exercised	450,000	45,000	-	-	-	45,000
Fair value of exercised options	-	34,636	(34,636)	-	-	-
Warrants issued as finders' fee	-	(1,099)	1,099	-	-	-
Loss for the period	-	-	-	-	(1,018,025)	(1,018,025)
Balance, October 31, 2015	52,111,477	\$ 4,500,246	\$ 972,587	\$ -	\$ (3,944,389)	\$ 1,528,444

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

NEXUS GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

	Nine months ended October 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,018,025)	\$ (1,634,055)
Items not affecting cash:		
Charge related to public company listing	-	895,982
Share-based payments	182,852	219,483
Write-off of exploration and evaluation assets	-	26,000
Changes in non-cash working capital items:		
Commodity tax recoverable	15,557	(15,963)
Prepaid expenses	23,481	(271,483)
Expenses accrued by related parties	125,078	-
Accounts payable and accrued liabilities	(70,512)	105,146
Due to/from related parties	-	33,230
Net cash used in operating activities	(741,569)	(641,660)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of share capital	536,660	985,721
Share issue costs	(14,479)	(20,000)
Share subscriptions received in advance	-	50,000
Bank indebtedness assumed on completion of RTO	-	(4,654)
Proceeds from loans payable	15,000	135,000
Repayment of loans payable	-	(135,000)
Net cash provided by financing activities	537,181	1,011,067
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(477,780)	(307,856)
Exploration and evaluation advance	-	-
Exploration and evaluation advance refunded	52,543	-
Repayment of deposit	10,200	-
Payment of deposit	(15,587)	-
Net cash used in investing activities	(430,624)	(307,856)
Change in cash for the period	(635,012)	61,551
Cash, beginning of the period	673,144	7,401
Cash, end of period	\$ 38,132	\$ 68,952

Supplemental disclosure with respect to cash flows (Note 10)

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

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

Expressed in Canadian Dollars

Unaudited – Prepared by Management

1. NATURE AND CONTINUANCE OF OPERATIONS

Nexus Gold Corp. (the “Company”), formerly Alita Resources Ltd., incorporated under the Business Corporations Act of British Columbia on May 7, 2009, is a public company listed on the TSX Venture Exchange (the “TSXV”) and trades under the symbol NXS. The address of the Company’s corporate office and its principal place of business is 720 - 700 West Pender Street, Vancouver, BC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties. On July 31, 2014, the Company completed a reverse take-over transaction (Note 3).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied principally upon the support of creditors, related parties and issuance of securities for financing. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company’s recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company’s exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. The Company estimates that additional funding will be required to continue operations over the next 12 months. These material uncertainties may cast significant doubt upon the entity’s ability to continue as a going concern.

These financial statements do not include any adjustments related to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

	October 31, 2015	January 31, 2015
Deficit	\$ (3,944,389)	\$ (2,926,364)
Working capital (deficiency)	\$ (210,483)	\$ 530,383

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements for the year ended January 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the Board of Directors of the Company on December 28, 2015.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. 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, which is also the Company and its subsidiary's functional currency.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, CSR (British Columbia). All significant inter-company balances and transactions have been eliminated upon consolidation.

Significant accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity based payments and the recoverability and measurement of deferred tax assets and liabilities.

Key estimates made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Significant accounting estimates and judgments (cont'd...)

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2016. 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.

3. REVERSE TAKEOVER TRANSACTION (“RTO”)

The Company entered into an agreement dated November 14, 2013 (the “Agreement”) with Columbia Star Resource Corp (“CSR”) to which the Company would acquire all of the issued and outstanding common shares of CSR (the “Transaction”), which was completed on July 31, 2014. The transaction has been treated as a RTO that was not a business combination and effectively a capital transaction of CSR.

The Agreement sets out the terms of the Transaction, including the exchange of common shares of the Company for all of the common shares of CSR at a ratio of one common share of the Company for every 1.85 common shares of CSR. As part of the agreement CSR received a non-refundable deposit of \$120,000 recorded as income related to the public company listing.

Prior to giving effect to the Transaction, the Company's issued and outstanding share capital consisted of 8,431,000 common shares with a fair value at \$843,100 as per the stock price as at July 31, 2014. CSR had 9,335,321 common shares outstanding and pursuant to the Agreement, the Company issued a further 17,270,344 common shares to the shareholders of CSR, resulting in CSR's shareholders receiving an approximate 67.2% interest in the Company, prior to a concurrent financing. The transaction closed on July 31, 2014, together with a concurrent financing of \$397,500. The Company spent \$93,893 for professional fees on the RTO and \$20,000 in finder's fees related to the concurrent financing.

Because the former shareholders of CSR obtained control of the Company, the transaction is considered a purchase of the Company's operations by CSR and is accounted for as a reverse acquisition. As CSR is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. The Company's results of operations are included from the date of the transaction onwards.

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014)

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3. REVERSE TAKEOVER TRANSACTION (“RTO”) (cont’d...)

The determination and allocation of the purchase prices is summarized below:

Purchase price	\$ 843,100
Costs directly associated with RTO	<u>93,893</u>
	<u>\$ 936,993</u>

Allocation of purchase price:	
Net working capital	\$ (78,882)
Mineral property option	26,000
Charge related to public company listing	<u>989,875</u>
	<u>\$ 936,993</u>

The incremental value of the modification of the terms of outstanding share purchase options and warrants of the Company resulting from the consolidation of the Company’s share capital is calculated to be \$Nil and therefore not included in the determination of the purchase price.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 accounts payable and accrued liabilities, related party loans, 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.

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014)

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instrument risk exposure and risk management (cont'd...)

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 and receivables. 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 normally maintains sufficient cash to meet the Company's business requirements.

(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.

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.

NEXUS GOLD CORP.**(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014**

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5. EXPLORATION AND EVALUATION ASSETS

	Walker Ridge	Mount Sidney Williams	Total
Balance, January 31, 2014	\$ 383,928	\$ -	\$ 383,928
Deferred exploration costs:			
Geophysical	190,944	-	190,944
Geological	11,988	-	11,988
General field expenses	21,229	-	21,229
Staking and claim maintenance	40,347	-	40,347
Total exploration costs	264,508	-	264,508
Acquisition costs:			
Cash	83,462	20,000	103,462
Shares	18,000	6,000	24,000
Total acquisition costs	101,462	26,000	127,462
Total expenditures for the year	365,970	26,000	391,970
Total before write-offs	749,898	26,000	775,898
Write-off of exploration and evaluation assets	-	(26,000)	(26,000)
Balance, January 31, 2015	749,898	-	749,898
Deferred exploration costs:			
Assay	19,627	-	19,627
Drilling	673,752	-	673,752
Geological	67,267	-	67,267
General field expenses	116,193	-	116,193
Staking and claim maintenance	48,418	-	48,418
Total exploration costs	925,257	-	925,257
Acquisition costs:			
Cash	124,331	-	124,331
Shares	46,250	-	46,250
Total acquisition costs	170,581	-	170,581
Total expenditures for the period	1,095,838	-	1,095,838
Balance, October 31, 2015	\$ 1,845,736	\$ -	\$ 1,845,736

NEXUS GOLD CORP.

(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014

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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Walker Ridge Gold Property, Nevada

On October 1, 2011, CSR entered into an option agreement to purchase 100% interest in the Walker Ridge Group of mining claims located in the Elko County, Nevada.

To maintain the option in good standing, the Company is required to pay:

- i) USD \$5,000 on or before October 1, 2011 (paid);
- ii) USD \$25,000 on or before November 15, 2011 (paid).
- iii) USD \$25,000 plus 50,000 (pre-RTO) shares on or before June 15, 2012 (USD \$25,000 paid and 50,000 shares issued at a value of \$12,500);
- iv) USD \$50,000 plus 100,000 (pre-RTO) shares on or before March 15, 2013 (USD \$50,000 paid and 100,000 shares issued at a value of \$25,000);
- v) USD \$75,000 plus 150,000 (pre-RTO) shares on or before March 15, 2014 (USD \$75,000 paid and 150,000 shares issued at a value of \$18,000);
- vi) USD \$100,000 plus 370,000 (post-RTO) shares on or before March 15, 2015 (USD \$100,000 paid and 370,000 shares issued at a value of \$46,250).

To acquire its interest, the Company is required to pay an additional USD \$1,500,000 and issue 1,850,000 common shares by October 1, 2016. The Company's VP of Exploration holds a 25% interest in the optionor of the Walker Ridge Gold Property.

The optionor will retain a net smelter royalty ("NSR") of 3%, which may be reduced to 1.5% upon a one-time purchase payment made to the optionor within 30 days of a commercial production decision based on the following formula: USD \$25 multiplied by the number of measured and indicated gold reserve ounces determined to be mineable from the property as determined and calculated by a third-party positive bankable feasibility study.

The Company has made a USD\$42,900 (\$53,388) deposit required by the Bureau of Land Management (Nevada) in relation to future exploration programs.

During the year ended January 31, 2015, the Company advanced USD\$75,000 (\$93,563) to American Drilling Corp. ("ADC") for exploration work to be performed on the property. During the period ended October 31, 2015, ADC completed USD\$31,990 (\$41,020) in work and refunded a portion of the deposit of USD\$43,010 (\$52,543).

Mount Sidney Williams Property, British Columbia

The Company, prior to the RTO, had signed an Option Agreement dated May 17, 2013 (the "Option Agreement") with Ursula Mowat ("Mowat") for a 100% interest in certain British Columbia mineral claims in the Omineca Mining Division, British Columbia known as the Mount Sidney Williams property (the "Property"). To earn the Property under the Option Agreement the Company must fulfil the following requirements by the various following dates:

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(NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED OCTOBER 31, 2015 AND 2014)

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5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Mount Sidney Williams Property, British Columbia (cont'd...)

- I. pay and issue to Mowat a total of \$315,000 and 400,000 shares as follows:
 - i) \$20,000 within five business days after September 11, 2013 (paid);
 - ii) 75,000 shares within seven business days after September 11, 2013 (issued);
 - iii) \$20,000 and 75,000 shares on or before September 11, 2014; (not paid)
 - iv) \$45,000 and 50,000 shares on or before September 11, 2015;
 - v) \$55,000 and 50,000 shares on or before September 11, 2016;
 - vi) \$75,000 and 50,000 shares on September 11, 2017; and
 - vii) \$100,000 and 100,000 Shares on September 11, 2018.

- II. incur the following expenditures on the Property (totalling \$1,450,000) by the following dates:
 - i) a cumulative total of \$50,000 on or before September 11, 2014;(not incurred)
 - ii) a cumulative total of \$50,000 on or before September 11, 2015;
 - iii) a cumulative total of \$450,000 on or before September 11, 2016;
 - iv) a cumulative total of \$950,000 on or before September 11, 2017;
 - v) a cumulative total of \$1,450,000 on or before September 11, 2018.

The Option Agreement also provides for Mowat to retain a 2.0% NSR which the Company will be able to purchase under certain circumstances.

As the Company has no plans for further exploration activities on this property, management has concluded that the value of the property should be written off, resulting in a write-off of \$26,000 in the year ended January 31, 2015.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of:

	October 31, 2015	January 31, 2015
Trade payables	\$ 452,537	\$ 377,421
Accrued liabilities	17,500	40,800
	<u>\$ 470,037</u>	<u>\$ 418,221</u>

7. LOANS PAYABLE

On September 1, 2015, the Company entered into a \$15,000 loan agreement with a director of the Company. The loan is non-interest bearing and has no fixed term of repayment. At October 31, 2015, \$15,000 was owing to the director.

On March 11, 2014, the Company entered into a \$42,500 loan agreement with a director of the Company. The loan is non-interest bearing and repayable on or before September 11, 2015. An amount of \$40,000 was repaid in August 2014. At October 31, 2015, \$2,500 was owing to the director. The loan passed the repayment date with no penalty.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

During the nine months ended October 31, 2015, the Company:

- i) completed a private placement of 3,125,000 shares at \$0.12 per share for gross proceeds of \$375,000, with each unit consisting of one common share and one share purchase warrant. Each full warrant will entitle the holder to purchase one additional share at \$0.12 until October 22, 2017. The residual value associated with these warrants was determined to be \$Nil. In connection with the financing, the Company paid cash finder's fees of \$2,520 and issued 21,000 finders' warrants with a fair value of \$1,099. Each finders' warrant entitles the holder to purchase one additional share at \$0.20 until July 31, 2016.
- ii) completed a private placement of 4,375,000 shares at \$0.12 per share for gross proceeds of \$525,000, with each unit consisting of one common share and one share purchase warrant. Each full warrant will entitle the holder to purchase one additional share at \$0.12 until September 21, 2017. The residual value associated with these warrants was determined to be \$Nil.
- iii) issued 450,000 common shares pursuant to the exercise of options for gross proceeds of \$45,000. Accordingly, the Company transferred \$34,636 to share capital from share-based payment reserve.
- iv) completed a private placement of 2,247,917 shares at \$0.10 per share for gross proceeds of \$224,762, with each unit consisting of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase one additional share at \$0.125 until March 12, 2017. The residual value associated with these warrants was determined to be \$Nil.
- v) issued 370,000 common shares for the Walker Ridge Gold property option payment valued at \$46,250 (Note 5).

During the year ended January 31, 2015, CSR:

- i) completed private placements of 1,937,029 units of CSR at prices ranging from \$0.1156 per unit to \$0.185 per unit for gross proceeds of \$272,500, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.20 until February through July, 2016.
- ii) issued 150,000 common shares for the Walker Ridge Gold property option payment valued at \$18,000 (Note 5).
- iii) entered into a series of settlement agreements whereby amounts owing to related parties of \$278,505 were settled in exchange for the issuance of 1,505,432 units, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.20 until March 5, 2016.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

Share Capital (cont'd...)

During the year ended January 31, 2015, the Company:

- i) completed an exchange of common shares of the Company for the common shares of CSR at a ratio of one common share of the Company for every 1.85 common shares of CSR together with concurrent financing issuing 3,975,000 units for gross proceeds of \$397,500, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.20 until July 31, 2016. In connection with the financing, the Company issued 200,000 finders' warrants with a fair value of \$7,195. Each finders' warrant entitles the holder to purchase one additional share at \$0.20 until July 31, 2016.
- ii) completed a private placement of 3,657,214 units at \$0.10 per unit for gross proceeds of \$365,721, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.10 until August through November, 2015. The residual value associated with these warrants was determined to be \$68,572.
- iii) completed a private placement of 8,210,000 units at \$0.10 per unit for gross proceeds of \$821,000, with each unit consisting of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase one additional share at \$0.125 until January 16, 2017. In connection with the financing, the Company paid finders' fees of \$27,000 and issued 135,000 finders' warrants with a fair value of \$10,936. Each finders' warrant entitles the holder to purchase one additional share at \$0.125 until January 16, 2015.

Escrowed shares

At October 31, 2015, there were 6,507,925 shares held in escrow. Under the applicable escrow agreements, 1,626,981 shares were released during the period ended October 31, 2015. On a prospective basis, 1,626,981 shares are subject to release every six months of each year.

Share-based compensation

At October 31, 2015, the Company had outstanding share purchase options as follows:

	Options	Price	Date	Remaining
Granted August 8, 2014	2,000,000	\$ 0.10	August 8, 2019	3.77 years
Granted September 8, 2014	450,000	\$ 0.10	September 8, 2019	3.86 years
Granted June 24, 2015	400,000	\$ 0.10	June 24, 2020	4.65 years
Granted June 24, 2015	200,000	\$ 0.12	June 24, 2020	4.65 years
Granted July 17, 2015	200,000	\$ 0.10	July 17, 2020	4.72 years
Granted September 17, 2015	1,765,000	\$ 0.12	September 17, 2020	4.88 years
Balance, October 31, 2015	5,015,000			

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**Share-based compensation (cont'd...)**

A summary of changes in share purchase options during the period is as follows:

	Number of Options	Weighted average exercise price
Balance, January 31, 2014	-	\$ -
Granted	2,900,000	0.10
Balance, January 31, 2015	2,900,000	\$ 0.10
Granted	2,865,000	0.12
Exercised	(450,000)	0.10
Expired	(300,000)	0.15
Balance, October 31, 2015	5,015,000	\$ 0.14
Number of options currently exercisable	5,015,000	\$ 0.14

During the nine months ended October 31, 2015, The Company granted 2,865,000 incentive stock options valued at \$182,851, or \$0.068 per option.

During the year ended January 31, 2015, the Company granted 2,900,000 incentive stock options valued at \$219,483, or \$0.076 per option.

During the nine months ended October 31, 2015, the Company recognized \$182,852 (2014 – \$219,483) in share-based payments for the fair value of the stock options that were granted and vested. The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

For the nine months ended	October 31, 2015	October 31, 2014
Risk free interest rate	0.70% - 0.95%	1.50% - 1.60%
Expected life of options	5 years	5 years
Annualized volatility	57.83% - 124.15%	105.29% - 106.48%
Dividend yield	0%	0%
Exercise price	\$0.10 - \$0.15	\$0.10
Fair value per option	\$0.068	\$0.10

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)**Warrants**

A summary of changes in warrants during the period is as follows:

	Number	Weighted average exercise price
Balance, January 31, 2014	1,896,250	\$ 0.14
Granted	18,440,768	0.16
Expired	(1,896,250)	0.14
Balance, January 31, 2015	18,440,768	0.16
Granted	8,644,959	0.13
Expired	(3,157,214)	0.10
Balance, October 31, 2015	23,928,513	\$ 0.16

As at October 31, 2015, the Company has the following warrants outstanding:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
500,000	\$0.10	November 4, 2015*	0.01 years
400,087	0.20	February 18, 2016	0.30 years
2,785,049	0.20	March 5, 2016	0.35 years
100,000	0.20	March 14, 2016	0.37 years
400,087	0.20	April 9, 2016	0.44 years
200,000	0.20	April 14, 2016	0.45 years
50,000	0.20	May 12, 2016	0.53 years
100,000	0.20	May 26, 2016	0.57 years
1,533,332	0.20	July 15, 2016	0.71 years
599,999	0.20	July 21, 2016	0.72 years
100,000	0.20	July 23, 2016	0.73 years
100,000	0.20	July 23, 2016	0.73 years
4,175,000	0.20	July 31, 2016	0.75 years
4,240,000	0.13	January 16, 2017	1.21 years
1,123,959	0.13	March 12, 2017	1.36 years
4,375,000	0.12	September 21, 2017	1.89 years
3,146,000	0.12	October 22, 2017	1.98 years
23,928,513			

*expired subsequently

The fair value of the share purchase warrants was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of fair value at grant date of the share purchase warrants are:

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd...)

Warrants (cont'd...)

For the nine months ended	October 31, 2015	October 31, 2014
Risk free interest rate	0.52%	1.04% - 1.09%
Expected life of warrants	2 years	1 year
Annualized volatility	63.24%	105.43% - 109.30%
Dividend yield	0%	0%
Exercise price	\$0.12	\$0.10

9. RELATED PARTY TRANSACTIONS AND MANAGEMENT COMPENSATION

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 nine months ended October 31, 2015, the Company incurred the following:

- management fees of \$202,500 (2014 - \$90,000) to companies controlled by directors and officers of the Company.
- consulting fees of \$Nil (2014 - \$30,000) to an officer and director of the Company.
- geological consulting fees of \$800 (2014 - \$Nil) to a director of the Company.

During the nine months ended October 31, 2015, the Company issued 1,565,000 options to directors and officers and recorded a fair value of \$114,402 to share-based payments.

During the nine months ended October 31, 2014, the Company entered into a series of settlement agreements whereby amounts owing to related parties of \$278,505 were settled in exchange for the issuance of 2,785,049 units, with each unit consisting of one common share and one common share purchase warrant.

Loans

For the nine months ended	October 31, 2015	October 31, 2014
Balance, beginning of period	\$ 2,500	\$ 55,000
Advances	15,000	42,500
Repayment in cash	-	(40,000)
Settled for shares	-	(55,000)
	\$ 17,500	\$ 2,500

On September 1, 2015, the Company entered into a \$15,000 loan agreement with a director of the Company. The loan is non-interest bearing and has no fixed term of repayment. At October 31, 2015, \$15,000 was owing to the director.

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9. RELATED PARTY TRANSACTIONS AND MANAGEMENT COMPENSATION (cont'd...)

On March 11, 2014, the Company entered into a \$42,500 loan agreement with a director of the Company. The loan is non-interest bearing and repayable on or before September 11, 2015. An amount of \$40,000 was repaid in August 2014. At October 31, 2015, \$2,500 was owing to the director. The loan passed the repayment date with no penalty.

Other balances

As at October 31, 2015, the Company owed \$175,784 (2014 - \$76,602) to companies controlled by directors and officers. The amounts owing are unsecured and non-interest bearing.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the nine months ended	October 31, 2015	October 31, 2014
Common shares issued for interest in exploration and evaluation assets	\$ 46,250	\$ 18,000
Common shares issued for settlement of debt	\$ 498,840	\$ 278,505
Exploration and evaluation assets expenditures in accounts payable and accrued liabilities	\$ 355,034	\$ 69,326
Warrants issued as finder's fee	\$ 1,099	\$ -
Fair value of exercised options	\$ 34,636	\$ -

11. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets, located in the United States and Canada. Geographic information is disclosed in Note 5.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholder's equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended October 31, 2015. The Company is not subject to externally imposed capital requirements.

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13. COMMITMENTS

The Company has an obligation under a rental agreement for payments of \$2,326 per month for the first three years and \$2,431 per month for the last two years for a five year period beginning on June 1, 2013 and ending on May 31, 2018 as follows:

<u>Fiscal</u>	<u>Total (\$)</u>
2016	27,909
2017	28,752
2018	29,173
2019	9,724