

# NV GOLD CORPORATION

## FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS SIX MONTH PERIOD ENDED FEBRUARY 28, 2018

The following management discussion and analysis for *NV Gold Corporation* (“the Company”) is prepared as of **April 18, 2018** and should be read together with the unaudited condensed consolidated interim financial statements for the six month period ended February 28, 2018 and related notes attached thereto (financial statements), which were prepared in accordance with the International Financial Reporting Standards (“IFRS”). The reader should also refer to the Company’s audited consolidated financial statements and accompanying notes for the year ended August 31, 2017.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR under the Company’s profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.nvgoldcorp.com](http://www.nvgoldcorp.com).

### Description of Business

NV Gold Corporation (the “Company”) was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company’s principal business activity is the identification, acquisition and exploration of mineral properties in the United States and Switzerland. The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol NVX.

The condensed consolidated interim financial statements contained herein include the accounts of the Company and its two wholly owned subsidiaries, NV Gold Corporation (USA) Inc. (“NV Gold USA”) and SwissGold Exploration AG (“SwissGold”). All inter-company balances and transactions have been eliminated upon consolidation.

The Company is in the business of exploring and developing its mineral properties in the United States and Switzerland and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral property and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the mineral property and upon future profitable production.

### Technical Disclosure in the Management Discussion and Analysis

Dr. Odin Christensen, a Qualified Person pursuant to National Instrument (“NI 43-101”), is responsible for, and has reviewed and approved, the technical information contained in the Company’s new releases, which have been referred to in this MD&A. Dr. Christensen is a director of the Company and is also acting as a technical adviser to the Company.

### Mineral Properties

#### ATV Project, Nevada, USA

The Company staked 387 lode mining claims in Humboldt County, Nevada. The Company has named the claims collectively, Across-the-Valley or ATV Project. The Company further expanded its land position at the ATV Project with the leasing of several parcels of private land (both surface and minerals) from a private party. The project now encompasses over 5,260 Ha (13,000 acres) of mostly-contiguous terrain.

#### Nevada Properties, Nevada, USA

On September 29, 2016 the Company completed its acquisition of the Nevada assets of Redstar Gold Corp. (“Redstar”). These assets consist of a 100% interest in 11 exploration projects (the “Projects”) in Nevada, 4 of which are subject to NSRs, as well as the AngloGold-Ashanti database (the “Database”) purchased by Redstar in 2008.

The Company acquired the Database and the 11 Nevada projects by issuing to Redstar a total of 6,172,730 common shares of the Company, including 172,730 shares to comply with the anti-dilution provision of the Purchase Agreement, resulting in Redstar owning 29.9% of the Company’s outstanding common shares upon completion of the transaction. The common shares were valued at \$2,160,455. Of this value, \$1,692,357 was recognized as exploration and evaluation assets acquisition costs and \$468,098 was recognized as geological database expense and charged to operations during the year ended August 31, 2017.

### **Greengold Project, Nevada, USA**

The Company staked 47 unpatented mining claims in Pershing County, Nevada, The claims, collectively named the Greengold Project, cover approximately 3.6 square km (1.4 square miles).

### **SW Pipe Project, Nevada, USA**

The Company staked 84 claims in Lander County, Nevada. The claims, collectively named the SW Pipe Project, cover approximately 6.5 square km (2.5 square miles).

### **Frazier Dome Project, Nevada, USA**

The Company staked 50 claims in Nye County, Nevada. The claims, collectively named the Frazier Dome Project, cover approximately 3.9 square km (1.5 square miles). The project, located 13km north of the Tonopah Mining District, contains a low-sulfidation volcanic-hosted epithermal gold system with high-grade mineralization.

### **Swiss Permits, Switzerland**

In October 2014, the Company, through its Swiss subsidiary, SwissGold, has been issued a five year exploration permit ("Permit") for gold and precious metals that covers an area of approximately 224km<sup>2</sup> within the Communes of Medel / Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. A technical report is available for view under the Company's profile on SEDAR.

## **Overall Performance**

As at February 28, 2018, the Company had \$1,230,146 (August 31, 2017 - \$1,506,132) in cash and working capital was \$1,016,928 (August 31, 2017 - \$1,316,480). The Company incurred a net loss of \$229,540 (2017 - \$762,794) during the six month period ended February 28, 2018.

## **Other Events and Transactions**

- 1) On September 15, 2017, 200,000 warrants exercisable at \$0.50 per warrant expired unexercised.
- 2) On October 18, 2017, the Company provided an update to its current drill program on the ATV Project. A total of 9 drill holes were drilled resulting in over 2,700 meters of drilling. Additional drill holes are planned. Most of the assay results from the completed holes are still pending with full results to be released when available.
- 3) On October 30, 2017, the Company completed a non-brokered private placement of gross proceeds of \$910,000 by issuing 2,600,000 units at \$0.35 per unit. Each unit consists of one common share and one-half of one warrant exercisable at \$0.60 per share expiring October 30, 2019. The proceeds of the private placement will be used by the Company for the acquisition of new mineral properties, advancement of existing mineral properties and for general working capital.

The Company's CEO participated in the private placement by purchasing 307,142 units at \$0.35 for gross proceeds of \$107,000.

- 4) The Company held its Annual General Meeting on January 23, 2018 in Vancouver, BC. All proposed resolutions were passed.
- 5) On February 13, 2018, the Company released assay results on 13 drill holes on the ATV Project. Drill hole ARC-6 yielded promising results which prompted management to expand upon this drill hole and continue the drill program. Refer to the February 13, 2018 press release for additional details.

## Events subsequent to the reporting period

- 1) Issued 502,500 common shares for gross proceeds of \$271,500 pursuant to the exercise of warrants.
- 2) Issued 37,500 common shares for gross proceeds of \$7,500 pursuant to the exercise of stock options.
- 3) Entered into consulting agreements with two consultants that will be providing corporate development and exploration management services to the Company. Each consultant will be paid a consulting fee of US\$8,500 per month and has also been granted 150,000 stock options each exercisable at \$0.80 until March 19, 2023. Once the consulting agreements have received regulatory approval, the Company will issue 10,000 bonus common shares to each consultant.
- 4) Granted 100,000 stock options exercisable at \$0.89 until April 3, 2023 to an officer of the Company.
- 5) Issued 886,364 units at \$0.44 per unit for gross proceeds of \$390,000 pursuant to a non-brokered private placement financing that was completed on March 23, 2018. Each unit consists of one common share and one-half of one warrant exercisable at \$0.60 per share until March 23, 2020. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed \$1.00 for ten consecutive trading days, the Company may notify the holder in writing that the warrants will expire 20 trading days from receipt of such notice unless exercised by the holder before such date. The units and any common shares issued upon the exercise of the warrants are subject to a hold period expiring on July 23, 2018.
- 6) Issued 1,670,000 units at \$0.60 per unit for gross proceeds of \$1,002,000 pursuant to a non-brokered private placement financing that was completed on April 3, 2018. Each unit consists of one common share and one-half of one warrant exercisable at \$0.90 per share until April 3, 2020. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed \$1.50 for ten consecutive trading days, the Company may notify the holder in writing that the warrants will expire 20 trading days from receipt of such notice unless exercised by the holder before such date. The units and any common shares issued upon the exercise of the warrants are subject to a hold period expiring on August 4, 2018.
- 7) The Company provided numerous updates to the current drill program on the ATV Project. Refer to the press releases dated March 1, 2, 12 and April 5 for additional details.

## Mineral Property Update

### ATV Project (Nevada, USA)

The Company staked 387 lode mining claims in Humboldt County, Nevada. The Company has named the claims collectively, Across-the-Valley or ATV Project. The Company further expanded its land position at the ATV Project with the leasing of several parcels of private land (both surface and minerals) from a private party.

On June 7, 2017, the Company entered into a Mining Use and Surface Use Agreement (“Lease agreement”) for several parcels of private land. The terms of the agreement are as follows:

- 1) Payment of advance minimum royalty payments of US\$50,000 on signing and on the first anniversary date and increasing by US\$10,000 annually on each consecutive anniversary date to the ninth anniversary date; payment of US\$150,000 on each consecutive anniversary date from the tenth to the fifteenth anniversary date and then for each subsequent anniversary date the payment amount will be prior year payment plus 5%;
- 2) Minimum work obligations of US\$75,000 before the first anniversary date; increasing to US\$125,000 annually for the second to fifth anniversary dates; US\$150,000 annually following the fifth anniversary date;
- 3) Payment of a 3% Net Smelter Royalty upon production.

When combined with the 387 claims recently staked by the Company, the project now encompasses over 5,260 Ha (13,000 acres) of mostly-contiguous terrain.

On August 1, 2017, the Company announced the commencement of a drill program on the project. The Company planned to drill up to 4,000 meters of reverse circulation (“RC”) drilling. Drilling focused on various priority targets including:

- targets associated with gravity highs believed to indicate areas underlain by prospective Paleozoic sedimentary rocks covered with recent valley-fill gravel and/or volcanic rocks;
- structural targets along the margins of gravity highs;
- a large north-south oriented BLEG geochemical anomaly sitting astride a gravity high potentially resulting from shallowly buried favorable host-rocks;
- unconformity-focused mineralization situated along the contact between Tertiary volcanic rocks and Paleozoic sedimentary rocks.

The Company contracted Boart Longyear of Elko, Nevada, which has provided a truck-mounted RC drill for the project.

Several updates to the current drill program were announced during and subsequent to the current period.

Between August and December, 2017, thirteen vertical reverse circulation (“RC”) stratigraphic test holes and a single, vertical diamond core hole with an RC pre-collar were completed. Total RC drilling encompassed 4,217.7 m including the pre-collar and core drilling totaled 319.7 m. Holes were very widely spaced across thus providing a good initial assessment of its prospectivity.

Paleozoic sedimentary rocks were intersected at depths between 195.1 and 329.3 m in 11 drill holes, and three holes were lost in broken volcanic cover rocks before reaching targeted Paleozoic rocks. Importantly, this first ever drill program in this area confirms that much of the underexplored ATV Property is indeed underlain by prospective Paleozoic host rocks easily within reach of modern exploration drilling. Refer to the February 13, 2018 press release for additional details on the assay results from the current program.

On March 1, 2018, the Company announced an update to a recently drilled diamond drill hole, ARC-6C. The Company reported it had intercepted carbonate-bearing sedimentary rocks thought to belong to the lower plate of the Roberts Mountain thrust fault at the ATV Gold Project.

Drill hole ARC-6 produced geochemically anomalous carbonate-bearing sedimentary rocks at the bottom. To follow-up this intercept, the Company drilled hole ARC-6C, a 213.4 m reverse circulation pre-collar hole followed by a diamond core tail to 477.3 m. ARC-6C was collared approximately 3 m from ARC-6.

The Company, under the supervision of Dr. Quinton Hennigh, a director of the Company oversaw drilling of hole ARC-6C. Core to 477.3 m has been submitted to ALS Global, Reno, Nevada where it will be split, sampled and assayed. Results will be released when available once they have been reviewed and analyzed by the Company.

The Company resumed drilling an additional 120 m to a depth of 597 m where decalcified muddy, silty and sandy rocks were encountered. Refer to the March 2 and March 12, 2018 press releases for additional details.

On April 5, 2018, the Company announced that diamond drill hole, ARC-6C, was recently completed to a depth of 859.5 m and is being logged, split and sampled. Preparations are being made to drill two additional holes to follow up on recent significant lithologic and geochemical discoveries on this previously unexplored property. Refer to the press release from April 5, 2018 for additional details.

### **Nevada Properties, Nevada, USA**

On September 29, 2016 the Company completed its acquisition of the Nevada assets of Redstar Gold Corp. (“Redstar”). These assets consist of a 100% interest in 11 exploration projects (the “Projects”) in Nevada, 4 of which are subject to an NSR, as well as the AngloGold-Ashanti database (the “Database”) purchased by Redstar in 2008.

The Company acquired the Database and the 11 Nevada Properties by issuing to Redstar a total of 6,172,730 common shares of the Company, including 172,730 shares to comply with the anti-dilution provision of the Purchase Agreement, resulting in Redstar owning 29.9% of the Company’s outstanding common shares upon completion of the transaction. As part of the transaction, the Company appointed two directors from Redstar to its board of directors. The common shares were valued at \$2,160,455. Of this value, \$1,692,357 was recognized as exploration and evaluation assets acquisition costs and \$468,098 was recognized as geological database expense and was charged to operations during the year ended August 31, 2017.

The Nevada Properties are comprised of the following projects:

Project Name	Number of Claims	County in State of Nevada
Baker Springs	22	Elko
Cooks Creek	66	Lander
Gold Cloud	20	Eureka
Larus	36	Eureka
Long Island	27	Nye
Oasis	10	Esmeralda
Painted Hills	64	Humboldt
Queens	4	Nye
Richmond Summit	30	Eureka
Root Spring	26	Pershing
Seven Devils	54	Pershing
	359	

The Company engaged Boart Longyear of Elko, Nevada to carry out a reverse-circulation, rotary drill program on the Cooks Creek Project to test two initial target areas. The 9-hole 1,475 m drill program was completed by the end of December 2016. The targets tested did not yield results of merit. The project will continue to be evaluated to determine additional targets. Refer to the Company's press release dated February 6, 2017 for complete drill results.

The Cooks Creek property comprises one of the 11 projects in the Nevada Properties that were acquired from Redstar. The property is located in northeastern Nevada approximately 16 kilometers west of Barrick's Pipeline Mine in Lander County.

#### **Swiss Permits, Switzerland**

On October 8, 2014, the Company's Swiss subsidiary, SwissGold, was issued a five year exploration permit ("Permit") for gold and precious metals that covers an area of approximately 224km<sup>2</sup> within the Communes of Medel / Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. Under the terms of the Permit, the Company must:

- i) pay an initial fee of Swiss Francs 4,500 (paid);
- ii) pay an annual fee of Swiss Francs 4,500 (paid);
- iii) incur exploration expenditures of Swiss Francs 120,000 before the end on 2015; and
- iv) incur exploration expenditures of Swiss Francs 100,000 annually thereafter during the first term of the Permit to maintain the Permit in good standing.

Excess expenditures may be carried forward to meet expenditure requirements in future years. Also, the Communes can issue a mining concession to the Company subject to: (i) completion of a satisfactory feasibility study; (ii) completion of an environmental impact study; and (iii) consent from each of the three municipal bodies in the Communes.

In early fiscal 2016, the Company wrote-down the Swiss Permits to \$1 due to the uncertainty of receiving relief from future work commitment obligations that the Company was seeking. As a result, \$58,763 in exploration and evaluation costs were charged to operations. However, on February 19, 2016, the Company received written confirmation from the Communes regarding future work commitment obligations. The Communes agreed to provide the Company with relief from incurring exploration expenditures for 2016 and 2017. The Company will still incur approximately US\$10,000 in maintenance fees in each year during 2016 and 2017 to keep the Swiss Permits in good standing. During the year ended August 31, 2017, the Company charged to operations \$90,599 in costs related to the Swiss Permits due to delays in development and obtaining drilling permits in Switzerland.

During the year ended August 31, 2017, the Company issued 40,000 common shares valued at \$8,000 and paid Swiss Francs 10,000 as a finder's fee pursuant to the terms of an agreement in connection with the Company securing the Permit.

The Company has a NI 43-101 compliant technical report, dated November 14, 2014, on the project. The technical report was prepared by Mine Development Associates of Reno, Nevada. The full report is available for view under the Company's profile on Sedar at [www.sedar.com](http://www.sedar.com).

## Summary of Quarterly Results

	Three month period ended February 28, 2018	Three month period ended November 30, 2017	Three month period ended August 31, 2017	Three month period ended May 31, 2017
Total assets	\$ 5,495,824	\$ 5,674,651	\$ 4,847,660	\$ 4,054,159
Working capital	1,016,928	1,462,918	1,316,480	1,007,237
Shareholders' equity	5,275,396	5,395,076	4,603,078	4,017,611
Interest income	106	109	2,905	711
Net comprehensive income (loss)	(121,557)	(107,983)	(994,227)	(95,019)
Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

	Three month period ended February 28, 2017	Three month period ended November 30, 2016	Three month period ended August 31, 2016	Three month period ended May 31, 2016
Total assets	\$ 4,195,279	\$ 3,283,301	\$ 488,375	\$ 107,963
Working capital (deficiency)	1,312,336	659,520	249,195	(388,720)
Shareholders' equity	4,105,789	3,207,316	403,237	(343,671)
Interest income	287	5	48	-
Net comprehensive loss	(124,551)	(638,243)	233,308	(54,832)
Income (loss) per share	(0.01)	(0.03)	0.01	(0.01)

Fluctuations in key financial data can be attributed to various items such as financings, exploration programs, non-cash items such as share-based compensation and year-end audit adjustments.

During the quarter ended February 28, 2018, the Company continued monitoring its drill program on the ATV Project. There were no significant transactions during the quarter.

During the three month period ended November 30, 2017, the Company completed a non-brokered private placement by issuing 2,600,000 common shares for gross proceeds of \$910,000. The Company commenced a drill program on the ATV Project in Nevada.

During the three month period ended August 31, 2017, the Company completed a private placement by issuing 3,936,572 common shares for gross proceeds of \$1,377,800. A finders' fee of \$49,245 was paid in cash. The Company also continued to advance its exploration and evaluation assets in Nevada as well as preparing for a drill program on the ATV Project.

During the three month period ended May 31, 2017, the Company continued to advance its exploration and evaluation assets in Nevada by incurring expenditures on its mineral properties. The Company also staked additional mining claims to acquire the ATV Project.

During the three month period ended February 28, 2017, the Company raised gross proceeds of \$862,000 from the issuance of 4,310,000 common shares from a non-brokered private placement. Cash finder's fees of \$16,800 were paid. The Company staked additional mineral property claims in Humboldt County, Nevada. A 1,500m drill program was completed on the Cooks Creek Project, located in Lander County, Nevada. The Company also incurred \$44,830 as exploration advances on mineral claims staking to which legal title was transferred subsequent to the period. These transactions contributed to the significant increase in total assets and shareholders' equity during the quarter.

During the three month period ended November 30, 2016, the Company raised gross proceeds of \$1,366,900 from the issuance of 5,473,000 common shares from two private placement financings. Cash finder's fees of \$2,250 were paid. The Company acquired a group of 11 mineral properties and a database by issuing 6,172,730 common shares valued at

\$2,160,455. Additional exploration and evaluation expenditures were incurred collectively on the 11 mineral properties and new claims were staked on adjacent properties in the area. These transactions contributed to the significant increase in total assets and shareholders' equity during the quarter.

During the three month period ended August 31, 2016, the Company settled debt due to the President and CEO of the Company by issuing 1,580,592 common shares valued at \$142,253. A remaining balance of \$295,931 representing fees for from the current period and for past services due was forgiven by the President and CEO. The Company received \$371,347 in subscription proceeds towards a non-brokered private placement that was completed subsequent to the period.

During the three month period ended May 31, 2016, the Company continued in its efforts to minimize overhead costs. The Company consolidated its common shares on a 1-new-for-5 old consolidated basis.

During the three month period ended February 29, 2016, the Company received US\$25,000 by issuing a promissory note payable to the President and CEO of the Company. The Company sold the Afgan-Kobeh Property to McEwen Mining Inc. for US\$450,000. A portion of the proceeds from the sale were used to reimburse cash advances promissory notes payable of US\$355,038 due to the President and CEO of the Company. The remaining balance of the proceeds were used for general working capital purposes.

The Company earns interest revenue from cash held in banks and financial institutions and varies depending on cash balances remaining in the accounts.

The Company has not paid any dividends and it has no present intention of paying dividends on its common shares as it anticipates all available funds will be invested to finance the growth of its business.

## **Results of Operations**

### ***Six Month Period Ended February 28, 2018***

During the six month period ended February 28, 2018, the Company had a net comprehensive loss of \$229,540 (2017 - \$762,794). The net comprehensive loss is comprised of the following items:

- Advertising and promotion costs of \$39,028 (2017 - \$37,831) were incurred to promote and increase investor awareness of the Company's various mineral projects. These costs also include a monthly fee paid to Tidewater at \$4,000 plus GST for investor relations pursuant to an agreement dated February 24, 2017. The Company co-hosted multiple investor awareness events in Toronto, Canada and London, England with Redstar.
- Bank charges and interest of \$1,051 (2017 - \$2,419) have decreased from the comparative period because the Company subscribed to a more economical banking package with its financial institution to reduce wire costs.
- Consulting fees of \$78,152 (2017 - \$81,764) consist of fees paid to the President and CEO and independent advisors. The comparative period fees included a \$40,000 payment to an independent advisor for providing advisory services on potential capital market strategies and opportunities available to the Company.
- Office and general costs of \$11,326 (2017 - \$6,625) have increased over the comparative period due to a rental agreement on its office premise for its subsidiary, NV Gold USA.
- Professional fees of \$39,448 (2017 - \$73,424) are comprised of \$17,108 (2017 - \$34,124) for legal and \$22,340 (2017 - \$39,300) for audit and accounting fees. Professional fees were higher in the comparative period as additional legal and accounting work was required in conjunction with the acquisition of the Nevada Properties and Database from Redstar.
- Property investigation of \$14,799 (2017 - \$15,243) relate to exploration and evaluation expenditures incurred on properties to which the Company does not have legal title.
- Registration and filing fees of \$8,306 (2017 - \$11,471) consist of ongoing regulatory fees associated with maintaining public company profile and status. The comparative period fees consisted of numerous filings associated with the acquisition of the Nevada Properties and Database from Redstar and the completion of private placement financings.
- Shareholder costs of \$6,456 (2017 - \$7,274) are related to the dissemination of AGM materials, press releases and other information. The current period fees are lower than the comparative period due to the numerous press releases and other

information disseminated to shareholders in connection with the announcements related to the purchase of the Nevada Properties and the private placement financings.

- Share-based compensation, a non-cash expense, of \$4,156 (2016 - \$499,222) was recognized on stock options that vested during the period.
- Transfer agent fees of \$2,941 (2017 - \$3,412) are comparable to the comparative period.
- Travel and related costs of \$18,383 (2017 - \$21,801) relate to directors, officers and consultants travelling to attend investment conferences, increase investor awareness of the Company's projects and to evaluate potential investment opportunities for the Company. The current period costs included attendance at investment conferences that were held in Toronto, Canada and London, England during the fall of 2017.
- The Company had a foreign exchange loss of \$5,709 (2017 - \$2,600) related to the conversion of various transactions in US Dollars and Swiss Francs to Canadian Dollars.
- Interest income of \$215 (2017 - \$292) is earned on excess funds invested in short term guaranteed investment certificates ("GIC").

### ***Three month period ended February 28, 2018***

During the three month period ended February 28, 2018, the Company had a net comprehensive loss of \$121,557 (2017 - \$124,551). Significant changes occurred in the following areas.

- Advertising and promotion costs of \$2,065 (2017 - \$26,252) were incurred to promote and increase investor awareness of the Company after the acquisition of the Nevada Properties. The significant difference between the current quarter expense over the comparative period is due to a timing issue related to when the expenses were incurred.
- Consulting fees of \$59,152 (2017 0 \$21,720) were incurred paid to independent consultants to corporate development and mineral property exploration development services. During the current period, the Company also recognized consulting fees due for past services to an officer of the Company.
- Travel and related costs of \$3,053 (2017 - \$20,867) relate to the directors and officers travelling to attend investment conferences and to increase investor awareness of the Company's projects. The significant difference between the current quarter expense over the comparative period is due to a timing issue related to when the expenses were incurred.

### **Related Party Transactions**

The Company entered into the following transactions with related parties during the six month period ended February 28, 2018:

- i) Paid or accrued \$37,833 (2017 - \$39,864) in consulting fees to the President and CEO of the Company.
- ii) Paid or accrued \$6,478 (2017 - \$Nil) in office and general costs to the President and CEO of the Company.
- iii) Paid or accrued \$36,867 (2017 - \$68,072) in professional fees and share issue costs to companies controlled by officers of the Company.
- iv) Paid or accrued \$26,532 (2017 - \$Nil) in consulting fees to an officer of the Company.

The Company entered into an office lease agreement with a company controlled by the President and CEO of the Company which came into effect on May 1, 2017 for a period of 5 years expiring April 30, 2022. See Commitments below.

Included in due to related parties as of February 28, 2018 is \$40,414 (August 31, 2017 - \$40,110) due to directors and companies controlled by officers. The amounts are non-interest bearing and unsecured.



## Key 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 include the Company's executive officers and Board of Director members.

During the six month period ended February 28, 2018, nil (2017- 1,200,000) stock options out of a total of nil (2017 - 1,450,000) were granted to directors and officers. The fair value of \$Nil (2017 - \$413,040) was recorded as share-based compensation.

Other than disclosed above, there was no other compensation paid to key management during the six months ended February 28, 2018 and 2017.

## Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	February 28, 2018	August 31, 2017
Working capital	\$ 1,016,928	\$ 1,316,480
Deficit	(9,317,305)	(9,087,765)

Net cash used in operating activities for the period was \$243,945 (2017- \$312,344). This amount consists of a net operating loss of \$229,540 (2017 - \$762,794) and items not affecting cash of: \$2,593 (2017 - \$465) as foreign exchange and \$4,156 (2017 - \$499,147) in share-based compensation. Changes in non-cash working capital items consisted of a change in accounts receivable of \$22,645 (2017 - \$1,857), a change in prepaid expenses of \$25,075 (2017 - \$41,662) and a change in accounts payable and accrued liabilities and due to related parties of \$63,688 (2017 - \$8,502).

The current period used net cash of \$929,743 (2017 - \$457,637) in investing activities. This is comprised of a net refund of \$Nil (2017 - \$5,043) of reclamation bonds, \$929,212 (2017 - \$503,887) in expenditures incurred on exploration and evaluation assets and \$531 (2017 - \$41,207) used from exploration advances towards exploration and evaluation assets.

Financing activities provided net cash of \$897,702 (2017 - \$1,797,669). This consisted of \$910,000 (2017 - \$1,857,553) received as proceeds from the issuance of common shares and \$12,298 (2017 - \$59,884) paid as share issue costs.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of precious minerals or base metals or interests related thereto. The economics of developing and producing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined and the prices of minerals and metals. Depending on the foregoing, the Company may determine that it is impractical to continue commercial production. Prices, which have fluctuated significantly, are affected by many factors beyond the Company's control including anticipated changes in international investment patterns and monetary systems, economic growth rates and political developments. The supply of precious minerals or base metals is related to the economics of new mine production and operating costs for existing producers, as well as the demand from financial institutions and consumers. If the market price falls below the Company's full production costs and remains at such levels for any sustained period of time, the Company will experience losses and may decide to discontinue operations or other development of a project or mining at one or more of its properties.

## Financial Instruments and Risk Management

### Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or 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).

As at February 28, 2018, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts receivable and accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

### Financial risk factors

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables consist of GST recoverable from the Canadian Government and a refund due from a supplier.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 28, 2018, the Company had a cash balance of \$1,230,146 to settle current liabilities of \$220,428. All of the Company's financial liabilities are subject to normal trade terms.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

##### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

##### (b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

##### (c) Foreign currency risk

The Company has two foreign subsidiaries whose operations are in the United States and Switzerland respectively, which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar, United States dollar and the Swiss Franc. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

## 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 mineral properties. 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. The Company defines capital that it manages as share capital.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

## Commitments

The Company entered into an office lease agreement with a related party which came into effect on May 1, 2017 for a period of 5 years expiring April 30, 2022. The lease payments will be as follows:

2018	US \$	5,200
2019		10,604
2020		10,920
2021		11,248
2022		<u>7,648</u>
	US \$	<u>45,620</u>

## Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at February 28, 2018.

## Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 6 in the unaudited condensed consolidated interim financial statements for the six month period ended February 28, 2018 for description of the capitalized exploration and evaluation assets presented on a property-by-property basis.

## Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or issuable
Common shares	37,383,018
Stock options	3,088,500
Warrants	9,062,968

As at the date of this Management Discussion and Analysis, there are no common shares held in escrow.

## Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 of the unaudited condensed consolidated interim financial statements for the six month period ended February 28, 2018.

## New Standards Not Yet Adopted

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the company.

**IFRS 9, "Financial Instruments"**, is part of the IASB's wider project to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 retains but simplifies the mixed measurement model and established two primary measurement categories for financial assets; amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company on or after September 1, 2018. The Company will continue to evaluate and monitor the developments of this new standard.

**IFRS 15, "Revenue from Contracts with Customers"**, is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 replaces IAS 11, "Construction Contracts", and IAS 18, "Revenue" among others. It provides a single model in order to depict the transfer of promised goods or services to customers. The standard is effective for the Company on or after September 1, 2018. The Company will continue to evaluate and monitor the developments of this new standard.

**IFRS 16, "Leases"**, is a new standard to set out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17, "Leases", and instead introduces a single lessee accounting model. It provides a single model in order to depict the transfer of promised goods or services to customers. The standard is effective for the Company on or after September 1, 2019. The Company will continue to evaluate and monitor the developments of this new standard.

## Risks and Uncertainties

Exploration of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs related to a commercial operating venture, completion of the permitting process, detailed engineering and the procurement of a processing plant, and constructing a facility to support the property. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares will be required to fund future activities. There can be no assurance that such financings will be successful in the future.

## Outlook

The Company is focused on delivering value through mineral discoveries utilizing the prospector generator model. By leveraging its highly experienced in-house technical knowledge, NV Gold's geological team intends to use the Database, which contains a vast treasury of field knowledge spanning decades of research and exploration, combined with its numerous gold projects in Nevada, to uncover opportunities for lease or joint venture. NV Gold plans to aggressively acquire additional land positions for the growth of its business.

## Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

## Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;
- the availability of financing for the Company's development of a project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**