



NXGOLD LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2018

Dated: February 28, 2019

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of NxGold Ltd. ("**NxGold**" or the "**Company**") for the year ended December 31, 2018 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 and the two-month period ended December 31, 2017 and the notes thereto (together, the "**Annual Financial Statements**"), all of which are available under the Company's profile on SEDAR at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

In March 2018, the Company changed its financial and fiscal year end from October 31 to December 31, to align its reporting with peers. The Company's statement of financial position is as at December 31, 2018 and 2017 and the statements of income and comprehensive income, cash flows and changes in equity are year ended December 31, 2018 compared to the two-month fiscal year ended December 31, 2017.

BACKGROUND

NxGold is a Vancouver-based mineral exploration company, focused on acquiring, exploring and evaluating early stage mineral properties. The Company was incorporated on April 26, 2004 under the *Business Corporations Act* (British Columbia) as "Long Harbour Capital Corp". The Company's common shares trade on the TSX Venture Exchange (the "**TSXV**") under the symbol "NXN".

As of the date hereof, the Company's principal assets are (i) an 80% interest in the Mt. Roe Project in Australia, and; (ii) an exclusive right to earn up to an 70% interest in the Kuulu project in Nunavut, each of which is more particularly described below.

In addition, the Company holds 279,791 common shares of NexGen Energy Ltd. ("**NexGen**"). NexGen is a Canadian based uranium exploration company engaged in the exploration of its portfolio of uranium exploration properties in the Athabasca Basin, Saskatchewan, with a particular focus on Rook 1, an advanced exploration stage uranium project. NexGen's common shares are listed on the Toronto Stock Exchange (the "**TSX**") and NYSE American LLC.

The Kuulu Project

On October 25, 2016, the Company entered into an earn-in agreement (as amended and restated February 3, 2017, the "**Kuulu Agreement**") with Meliadine Gold Ltd. ("**MGL**") pursuant to which the Company was granted an exclusive option to earn up to a 70% interest in the Kuulu project (the "**Kuulu Project**"), in Nunavut. The Kuulu Project is located approximately 40 km northwest of Rankin Inlet, Nunavut and covers 4,174 hectares.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

Specifically, the Company has the right to acquire an undivided 50% interest in the Kuulu Project (the “**First Earn-In Option**”) and the right to acquire an additional undivided 20% interest in the Kuulu Project (the “**Second Earn-In Option**”) by incurring the expenditures and payments set out below:

| | Minimum expenditure | Cash payment | Total |
|--|--------------------------------|-------------------------|----------------------|
| First Earn-In Option (50% undivided interest) | | | |
| January 17, 2018 | \$ 1,000,000 | \$ 75,000 | \$ 1,075,000 |
| January 17, 2019 | 4,000,000 | 75,000 | 4,075,000 |
| January 17, 2020 | 5,000,000 | 75,000 | 5,075,000 |
| | \$ 10,000,000 | \$ 225,000 | \$ 10,225,000 |
| Second Earn-In Option (additional 20% undivided interest) | | | |
| January 17, 2021 | \$ 2,000,000 | \$ 75,000 | \$ 2,075,000 |
| January 17, 2022 | 3,000,000 | 75,000 | 3,075,000 |
| January 17, 2023 | 5,000,000 | 75,000 | 5,075,000 |
| January 17, 2024 | 15,000,000 | 75,000 | 15,075,000 |
| | \$ 25,000,000 | \$ 300,000 | \$ 25,300,000 |

The Second Earn-In Option is also subject to delivering to MGL a bankable feasibility study on or before January 17, 2024. The Company may extend the delivery date for the bankable feasibility study for up to three additional one-year periods, upon payment to MGL of \$2.5 million in cash for each such one-year extension. The Company may also extend the date for incurring any of the expenditures required by the Second Earn-In Option for an additional one-year period, at no additional cost.

The Company's obligation to make the cash payments referred to above, terminate upon the earlier of MGL's shares becoming listed on a Canadian stock exchange and, in the case of the cash payments related to the Second Earn-In Option, delivery of a bankable feasibility study to MGL.

In addition, the Company may satisfy any of its expenditure requirements in cash or common shares of the Company, at its election.

The Kuulu Project is subject to a 1% net smelter returns royalty and a 12% net profit interest royalty.

In November 2017, the Company delivered a notice of force majeure to MGL suspending its obligations under the Kuulu Earn-In Agreement, and in September 2018 the Company delivered a notice of force majeure to Nunavut Tunngavut Inc suspending its obligations under the Mineral Exploration Agreement due to the continued delay in the renewal of the Land Use Licences. As of the date of this report, the land use licences are yet to be renewed. The land use licences are the only outstanding permits required for the Company's proposed exploration program at the Kuulu Project. The Company has paid \$75,000 and incurred approximately \$800,000 related to the first earn-in option required to be spent by January 17, 2018.

The Mt. Roe Project

On January 23, 2018, the Company acquired an 80% interest in the Mt. Roe Gold project (the “**Mt. Roe Project**”), located in the Pilbara region of Western Australia pursuant to the terms of a binding terms sheet executed in December 2017 (the “**Pilbara Agreement**”) among the Company, Roe Gold Limited (“**RGL**”), the shareholders of RGL, NxGold Australia Pty Ltd. (a subsidiary of NxGold, created for the purposes of

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

this transaction) ("**NxGold Australia**") and Mt Sholl Holdings Pty Ltd. (a special purpose vehicle formed by the shareholders of RGL for the purposes of this transaction) ("**SPV**").

Mt. Roe is comprised of approximately 1,200 hectares covering two exploration blocks and is located approximately 30 kilometres south of the port city of Karratha, Western Australia. The Mt. Roe Project is situated immediately adjacent to the Silica Hills project, a joint venture between Novo Resources Corp. and Artemis Resources Limited.

Pursuant to the Pilbara Agreement: (i) NxGold advanced to RGL, A\$1.5million in December 2017; (ii) RGL used those funds to acquire an 80% interest in the Mt. Roe Project and SPV acquired a 20% interest in the Mt. Roe Project, all pursuant to the terms of an existing option agreement; (iii) NxGold acquired all of the issued and outstanding shares of RGL in exchange for 19 million common shares of the Company, thereby acquiring an 80% interest in the Mt. Roe Project.

The Mt. Roe Project will be held as a joint venture between RGL and the SPV pursuant to which the SPV will be free-carried through to bankable feasibility study. The Pilbara Agreement further provides that if the SPV's interest in the Mt. Roe Project falls below 5%, the balance of its interest will be transferred immediately to NxGold Australia for no additional consideration and that the SPV will be granted a US\$20 per ounce royalty over gold extracted from the Mt. Roe Project.

The Chicobi Project

Effective June 7, 2017, the Company entered into an option agreement with Kenorland Minerals Ltd. (the "**Kenorland Option Agreement**") to earn up to a 100% interest in the Chicobi Project, located approximately 30 km northeast of Amos, Quebec (the "**Chicobi Project**"). Pursuant to the Kenorland Option Agreement, the Company had the exclusive right to earn an undivided 80% interest in the Chicobi Project (the "**First Option**") upon: (i) paying \$100,000 cash (paid) and issuing 800,000 common shares (complete); and (ii) incurring an aggregate of \$2 million in expenditures on the Chicobi Project on or before October 1, 2018. The 800,000 shares issued were recorded at their estimated fair value of \$288,000.

During the second quarter of 2018 the Company gave notice to withdraw from the Chicobi project in order to focus its capital and effort on other projects. As a result, an impairment charge of \$1,025,778 was recorded in the year ended December 31, 2018.

OVERALL PERFORMANCE

In the year ended December 31, 2018, in addition to the completion of the acquisition of the Mt. Roe Project discussed above, the Company carried out exploration work on Mt. Roe and Chicobi Project in Quebec, as well as continuing the process to acquire the required regulatory approval for its proposed exploration activities at the Kuulu Project, all as more particularly discussed below under "Results of Operations".

On June 15, 2018 the Company issued 23,725,143 units (the "**Units**") at a price of C\$0.18 per Unit for net proceeds of \$3,975,947. Each Unit is comprised of one common share of the Company and one common share purchase warrant (a "**Warrant**"), each Warrant entitling the holder thereof to acquire one common share at a price of C\$0.27 until June 15, 2021.

As an exploration stage company, the Company does not have revenues and historically has had recurring operating losses. As at December 31, 2018, the Company had cash of \$3,087,663, an accumulated deficit of \$7,935,974 and working capital of \$3,736,474.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

The Annual Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Industry and Economic Factors that May Affect the Business

The business of mining for minerals involves a high degree of risk. NxGold is an exploration company and is subject to risks and challenges similar to companies in a comparable stage and industry. These risks include, but are not limited to, the challenges of securing adequate capital, exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary permitting; as well as global economic and gold price volatility; all of which are uncertain.

The underlying value of the Company's exploration and evaluation assets is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material write-downs of the carrying value of the Company's exploration and evaluation assets.

In particular, the Company does not generate revenue. As a result, NxGold continues to be dependent on third party financing to continue exploration activities on the Company's properties. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, the price of gold, exploration risks and the other factors described in the section entitled "Risk Factors" included in the Annual MD&A.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Annual Financial Statements referred to in this MD&A. The Audit Committee of the Company's Board of Directors has been delegated the responsibility to review the Annual Financial Statements and MD&A and make recommendations to the Company's Board, it is the Board which has final approval of the Annual Financial Statements and MD&A.

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Based on the nature of the Company's activities, both presentation and functional currency is Canadian dollars.

The Company's Annual Financial Statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain financing and achieve future profitable operations.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

Results of Operations

The following financial data is derived from the Annual Financial Statements for the year ended December 31, 2018 and the two-month fiscal year ended December 31, 2017:

| | For the year ended December 31, 2018 | For the two-month fiscal year ended December 31, 2017 |
|--------------------------------|---|---|
| Share-based compensation | \$ 528,467 | \$ 127,642 |
| Salaries and director fees | 816,923 | 115,000 |
| Professional fees | 118,214 | 24,458 |
| Investor relations | 248,333 | - |
| Office and other | 148,426 | 9,811 |
| Travel | 75,552 | 117 |
| Loss before other items | (1,935,915) | (277,028) |
| Impairment of Chicobi | (1,025,778) | - |
| Foreign exchange loss | (6,858) | - |
| Interest income | 37,770 | 9,044 |
| Loss | (2,930,781) | (267,984) |

The Company had a loss of \$2,930,781 for the year ended December 31, 2018, compared to \$267,984 for the two-month fiscal year ended December 31, 2017 (the "2017 Fiscal Year"). The loss was higher in 2018 due primarily to the impairment related to Chicobi and also the shorter two-month fiscal year ended the December 31, 2017.

During the second quarter of 2018 the Company gave notice to withdraw from the Chicobi project in order to focus its capital and effort on other projects. As a result, an impairment charge of \$1,025,778 was recorded in the year ended December 31, 2018.

Share-based compensation charged to the statement of loss and comprehensive loss in the year ended December 31, 2018 was \$528,467 compared to \$127,642 in the 2017 Fiscal Year. The stock-based compensation expense is a non-cash charge calculated using the graded vesting method of the Black-Scholes values. Stock options granted to directors, consultants and employees vest over two years with the corresponding share-based compensation expense being recognized over this period. Variances in share-based compensation expense are expected from period to period depending on many factors, including whether options are granted in a period and whether options have fully vested or have been cancelled in a period. In February 2017, the Company granted 3,550,000 options with a weighted average fair value per option of \$0.46 with this value being recognized over the vesting period. In the year ended December 31, 2018, the Company granted 4,200,000 options with a weighted average fair value per option of \$0.19 with this value being recognized over the vesting period. In the year ended December 31, 2018 there were 900,000 options forfeited which resulted in the reversal of \$95,895 of amounts previously recorded in the statement of loss related to the forfeited options.

Salaries and director fees were \$816,923 in the year ended December 31, 2018, compared to \$115,000 in the 2017 Fiscal Year due primarily to the difference in the length of the comparative reporting period and adding additional resources due to the increasing complexity of the Company. After the acquisition of Mt.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

Roe, the Board of Directors increased from 6 to 7 members but reduced to 5 members at the Annual General meeting.

Investor relations costs were \$248,333 in the year ended December 31, 2018, compared to nil in the 2017 Fiscal Year. The increase is due primarily to increased financing activity and increased complexity of the Company. In 2017 the strategic focus was on identifying projects; in 2018 the focus switched to funding and exploring the projects. Costs include marketing materials, conferences and meetings with investors and brokers.

Professional fees were \$118,214 in the year ended December 31, 2018 compared to \$24,458 in the 2017 Fiscal Year and related to legal fees and accounting fees. The accounting fees were higher in 2018 due to the change in year-end which resulted in an additional set of audited financial statements and costs related to filing for Quebec exploration tax credits. Legal costs were higher in 2018 due to increased complexity of the Company with respect to change in year end, funding options, change of registered offices and the exit from Chicobi.

Office and other expenses include listing and filing fees, directors and officers' insurance, new releases and transfer agent costs, business development and other general administrative overhead costs. Office and other expenses were \$148,426 in the year ended December 31, 2018, respectively compared to \$9,811 in the 2017 Fiscal Year. Office and other expenses were generally higher due acquiring a rented office space in 2018 and to the increase activity and complexity in 2018 as in 2018 the Company was overseeing three projects compared to only one project for most of 2017.

Travel expenses at \$75,552 in the year ended December 31, 2018, respectively compared to \$117 in the 2017 Fiscal Year. The increase is due to the difference in lengths of the reported periods and the absence of travel in the 2017 Fiscal Year.

Financial Position

The following financial data is derived from Annual Financial Statements and should be read in conjunction with those statements.

| | December 31, 2018 | December 31, 2017 | October 31, 2017 |
|-----------------------------------|-------------------|-------------------|------------------|
| Exploration and evaluation assets | \$ 8,614,110 | \$ 1,938,429 | \$ 1,765,992 |
| Total assets | \$ 12,538,598 | \$ 5,791,383 | \$ 5,728,023 |
| Total current liabilities | \$ 131,505 | \$ 136,387 | \$ 162,083 |
| Total non-current liabilities | Nil | Nil | Nil |
| Working capital | \$ 3,736,474 | \$ 3,671,507 | \$ 3,753,167 |
| Cash dividends declared per share | Nil | Nil | Nil |

During the year ended December 31, 2018 the Company acquired RGL by issuing 19,760,000 common shares valued at \$0.27 per share, and impaired the Chicobi asset with a charge of \$1,025,778.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

DISCUSSION OF OPERATIONS

During the year ended December 31, 2018, the Company incurred \$903,310 of deferred exploration expenditures on its properties compared to \$248,134 in the two-month fiscal year ended December 31, 2017 as set forth below:

| | Kuulu | Chicobi (1) | Pilbara | Total |
|---|-------------------|--------------------|-------------------|-------------------|
| For the two months ended December 31, 2017 | | | | |
| Geological | \$ 6,966 | \$ 8,010 | \$ - | \$ 14,976 |
| Survey | - | 167,908 | - | 167,908 |
| Travel | 10,618 | 5,956 | - | 16,574 |
| Salaries | 19,898 | 20,413 | - | 40,311 |
| Share-based payments | 5,228 | 3,137 | - | 8,365 |
| | \$ 42,710 | \$ 205,424 | \$ - | \$ 248,134 |
| For the year ended December 31, 2018 | | | | |
| Drilling | \$ (43,767) | \$ - | \$ - | \$ (43,767) |
| Trenching | - | - | 96,906 | 96,906 |
| Land management | 60,693 | 21,434 | 62,079 | 144,206 |
| Survey | - | 62,971 | 61,372 | 124,343 |
| Geochemistry | - | - | 24,598 | 24,598 |
| Travel and camp | 46,484 | - | 75,644 | 122,128 |
| Salaries | 66,395 | 32,374 | 221,717 | 320,486 |
| General exploration | 6,978 | 2,791 | 37,545 | 47,314 |
| Share-based payments | 14,603 | 4,229 | 48,264 | 67,096 |
| | \$ 151,386 | \$ 123,799 | \$ 628,125 | \$ 903,310 |

- (1) During the second quarter of 2018, the Company withdrew from the Chicobi project and wrote off all capitalized exploration and evaluation expenditures of \$1,025,778.

Kuulu Project for the two months ended December 31, 2017 and the year ended December 31, 2018:

During the year ended December 31, 2018, two community meetings were held in May; one with the Community Lands and Resources Committee ('CLARC') and one with the Kangiqliniq Hunters and Trappers Organisation ('HTO'), and a variety of meetings with individuals were undertaken in September as part of the continuing efforts being expended to obtain land use license renewals for the existing Kuulu Project land use permits. Any costs incurred relate primarily to the Company's regulatory efforts. In the second quarter of 2018, the Company recovered \$43,767 related to a returned land use license reclamation fee for the proposed exploration program.

During a community visit in September 2018 members of the CLARC indicated they were not aware of the timing nor details of the proposed Program delivered in May and indicated that a workshop reviewing these details would be an adequate way to clarify any remaining perceived issues. Additionally, a letter was submitted to Nunavut Tunngavik Incorporated in September to activate the force majeure clause in Mineral Exploration Agreement RI12-0001 representing the Kuulu Project.

In November 2018 an independently led workshop was arranged however it was poorly attended by the CLARC representatives and HTO representatives and therefore no issues to the permitting of the project were determined nor resolved. Next steps for Kuulu include opening a direct line of communication with the

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

Kivalliq Inuit Association Executive to directly address any remaining or on-going concerns that may impact a re-submission of our license renewal documentation in 2019.

Chicobi Project for the two months ended December 31, 2017:

Legacy VTEM and magnetics data (1,998 kilometre) were merged and processed producing an interim geophysical targeting report that identified six additional target zones which are generally complementary to the thirteen derived from the previous compilation. Further targeting will be undertaken once the new geological data is interpreted.

An airborne VTEM Plus and magnetics survey consisting of 1,066-line kilometres (of a 2,598-kilometre survey plan) was completed by the end of December.

Chicobi Project for the year ended December 31, 2018:

Airborne acquisition of approximately 2,598-line kilometers of VTEM and magnetics data was completed. A data quality review of the newly acquired data was completed and was then merged with the legacy surveys in preparation for interpretation and targeting next quarter.

In May 2018, the Company gave notice to withdraw from the Chicobi project in order to focus its capital and effort on the Mt. Roe Project in Western Australia. During the second quarter of 2018 all claims were transferred to Kenorland Minerals Ltd. and an assessment report was drafted documenting costs acceptable for assessment purposes. The report was submitted by NxGold for assessment credit against required expenditure on the claims and for NxGold to recover any tax rebates available.

Mt. Roe Project for the year ended December 31, 2018:

Two streams of exploration have occurred on the granted tenements of the property (eastern half). Systematic trenching in two phases was used to track the conglomerate, sediments and unconformity considered to be prospective for conglomerate-hosted gold or paleo-placer style gold deposits. A more traditional systematic approach consisting of mapping, prospecting, two phases of silt (stream) sampling and gridded soil sampling was used across the granted tenements. Eight target areas were defined, Selective areas, due to historical nugget collecting, also were trenched to expose source structures. Additionally, an unmanned aerial vehicle based magnetics survey was completed resulting in a derived geological map to complement the fact map generated through the programs.

Work in the last quarter included mostly field follow up work on anomalies identified during the previous programs and initial programs on the Prinsep tenements which resulted in the identification of a mineralised horizon that appears to occur over a strike length of 1800m although poor exposure has allowed sampling for roughly 500m of strike to date. Also, in this quarter the final pending tenements (western half of the Roe property) were granted and transferred to Roe Gold.

Next steps include detailed follow-up of the auriferous Prinsep trend, undertaking systematic exploration on the recently granted tenements to allow for prioritisation of all target areas across the entire Project area, and selective aggressive trenching in areas of known significant nugget collection where recent finds have included nuggets of gold still attached to quartz vein fragments.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

SUMMARY OF QUARTERLY RESULTS

The following financial information is derived from the Company's consolidated financial statements and should be read in conjunction with the Annual Financial Statements and the unaudited condensed consolidated interim financial statements for each of the past eight quarters.

| | 2018 Dec 31 | 2018 Sept 30 | 2018 Jun 30 | 2018 Mar 31 | 2017 Dec 31 ⁽¹⁾ | 2017 Oct 31 | 2017 Jul 31 | 2017 Apr 30 |
|--|----------------|-----------------|----------------|----------------|-------------------------------|----------------|----------------|----------------|
| Loss | (416,709) | (788,801) | (1,347,462) | (377,809) | (267,984) | (431,732) | (422,031) | (930,475) |
| Loss per share - Basic and fully diluted | (0.01) | (0.01) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) | (0.03) |

(1) All periods in the table are for three months except December 31, 2017, which is for two months due to the change in year end.

NxGold does not derive any revenue from its operations except for minimal interest income from its cash balances and short-term investments. Its primary focus is the acquisition, exploration and evaluation of mineral resource properties, and the Company conducted limited business activity prior to the year ended October 31, 2017 other than the disposition of its interest in certain mineral properties and completion of private placements.

In the financial year ended October 31, 2017 the Company increased its level of activity and completed some preliminary exploration work at both the Kuulu Project and Chicobi Project, evaluated several acquisition opportunities and pursued the required regulatory approval for its proposed exploration activities at the Kuulu Project. In the second quarter of 2018, the Company withdrew from the Chicobi project resulting in an impairment charge of \$1,025,778.

Accordingly, quarterly periods are not generally comparable due to the nature and timing of these items.

LIQUIDITY AND CAPITAL RESOURCES

NxGold has no revenue-producing operations, earns only minimal interest income on cash, and is expected to have recurring operating losses. As at December 31, 2018, the Company had an accumulated deficit of \$7,935,974.

The Company does not have any commitments for capital expenditures, however, upon grant of the outstanding licenses in respect of the Kuulu Project, in order to continue towards completion of the First Earn in Option the Company will be required to incur expenditures on Kuulu as discussed in the "Background" section above.

The Company is considered to be in the development stage and is currently exploring mineral properties. During the year ended December 31, 2018, the Company had a loss of \$2,930,781 and working capital of \$3,736,474 as at December 31, 2018. At February 28, 2019 the Company had cash of \$2.9 million and working capital of approximately \$3.4 million, which includes the NexGen shares which are available for sale securities and provide the Company with near term working capital liquidity. The closing price of NexGen's common shares on the TSX on December 31, 2018 was \$2.41 and as of February 28, 2019 was \$2.16. The Company has not paid any dividends and management does not expect that this will change in the near future.

The Company believes that it will have sufficient capital to operate over the next 12 months, however additional funding will be necessary to complete its earn in options on projects and fund other exploration activities. Accordingly, the Company's ability to maintain capacity in the longer term and continue as a

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

going concern is dependent upon its ability to raise additional capital. There can be no assurance that equity financings will be available to the Company in the future on terms satisfactory to the Company. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, the price of various minerals and the other factors set forth below in the "Risk Factors".

On an ongoing basis, and particularly in light of current market conditions for mineral exploration, management evaluates and adjusts its planned level of activities, including planned exploration and committed administrative costs, to maintain adequate levels of working capital.

Management will determine whether to accept any offer to finance weighing such things as the financing terms, the results of exploration, the Company's share price at the time and current market conditions, among others.

Working capital is currently held almost entirely in cash and the NexGen shares. The Company's investment policy is to hold excess cash in highly liquid, short-term, interest-bearing instruments, such as Government of Canada Treasury bills or debt instruments issued by major Canadian chartered banks, with initial maturity terms of less than one year from the original date of acquisition, selected with regard to the Company's anticipated liquidity requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2018 or as the date hereof.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel is summarized as follows:

| Year ended December 31, 2018 | Short term compensation | Share-based compensation | Total |
|--|--------------------------------|---------------------------------|--------------|
| Expensed in the statement of loss and comprehensive loss | \$ 682,421 | \$ 540,974 | \$ 1,223,395 |
| Capitalized to exploration and evaluation assets | 192,357 | 49,944 | 242,301 |
| | \$ 874,778 | \$ 590,918 | \$ 1,465,696 |

| Two-month fiscal years ended December 31, 2017 | Short term compensation | Share-based compensation | Total |
|--|--------------------------------|---------------------------------|--------------|
| Expensed in the statement of loss and comprehensive loss | \$ 108,333 | \$ 125,708 | \$ 234,041 |
| Capitalized to exploration and evaluation assets | 33,333 | 8,364 | 41,697 |
| | \$ 141,666 | \$ 134,072 | \$ 275,738 |

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

As at December 31, 2018 there was \$50,000 (December 31, 2017 – \$65,000) included in accounts payable and accrued liabilities owing to directors and officers for compensation.

The Company shares office space and administrative expenses with IsoEnergy Ltd. (“**IsoEnergy**”), a Company with officers and directors in common. During the year ended December 31, 2018, office lease and administrative expenditures billed to NxGold amounted to \$70,623. The 2017 comparative amounts were nil. As at December 31, 2018, the Company owes nil to IsoEnergy (December 31, 2017: nil).

OUTSTANDING SHARE DATA

Common Shares

The authorized capital of the Company consists of an unlimited number of common shares, without par value. As at December 31, 2018 and the date hereof, there were 81,632,286 common shares issued and outstanding.

Stock Options

As at the date hereof, there are 6,850,000 stock options outstanding as set forth below:

| Number of options | Exercise price per option | Number of options exercisable | Exercise price per option | Expiry date |
|-------------------|---------------------------|-------------------------------|---------------------------|------------------|
| 2,400,000 | \$ 0.52 | 2,400,000 | \$ 0.52 | February 1, 2022 |
| 250,000 | \$ 0.45 | 166,668 | \$ 0.45 | April 25, 2022 |
| 4,200,000 | \$ 0.20 | 1,428,000 | \$ 0.20 | August 8, 2023 |
| 6,850,000 | \$ 0.32 | 3,994,668 | \$ 0.40 | |

Share Purchase Warrants

As the date of this report there were 46,709,699 common share purchase warrants outstanding as set forth below:

| Expiry date | Exercise price | Number of warrants | Remaining life (years) at December 31, 2018 |
|--|----------------|--------------------|---|
| 15-Oct-20 | \$0.07 | 2,000,000 | 1.8 |
| 15-Oct-20 | \$0.05 | 4,890,000 | 1.8 |
| 28-Jul-20 | \$0.05 | 3,500,000 | 1.6 |
| 13-Dec-19 | \$0.50 | 9,920,300 | 1.0 |
| 13-Dec-19 | \$0.25 | 426,900 | 1.0 |
| 13-Jan-20 | \$0.50 | 1,058,000 | 1.0 |
| Balance, December 31, 2017 | \$0.28 | 21,795,200 | 1.2 |
| 15-Jun-21 | \$0.27 | 23,725,143 | 2.5 |
| 14-Jun-21 | \$0.18 | 1,186,356 | 2.5 |
| Balance, December 31, 2018 and February 28, 2019 | \$0.27 | 46,706,699 | 1.9 |

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the Annual Financial Statements is as follows:

i. Impairment

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about the future events and circumstances and whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

ii. Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based payment expenses. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payment expenses.

CHANGES IN ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the Annual Financial Statements for the year ended December 31, 2018.

New standards adopted:

The Company reviewed certain new standards that were issued by the IAS board that are mandatory for accounting periods beginning on or after January 1, 2018.

IFRS 2 – Share-based payments is an amended standard to clarify how to account for certain types of share-based payment transactions. The amendments provide for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The adoption of this policy had no impact on the Company.

IFRS 9 – Financial Instruments is a new standard that replaced IAS 39 – Financial Instruments: Recognition and Measurement for classification and measurement of financial instruments.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The Company determines the classification of the financial assets at initial recognition. The basis of classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change for liabilities is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income (loss) rather than in net earnings. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income. The Company elected to measure the available for sale securities as fair value through other comprehensive income.

Future accounting pronouncements:

The following standard has not been adopted by the Company and is being evaluated:

IFRS 16 – Leases ("IFRS 16") is a new standard that will replace IAS 17 - Leases for the accounting and measurement of leases with a term of more than 12 months, effective for annual periods beginning on or after January 1, 2019.

On January 1, 2019 the Company plans to adopt IFRS 16 retrospectively with the cumulative effect on initially applying the standard recognized at the date of initial application. The Company will also elect to account for leases with lease terms that end within 12 months of the date of initial application as short-term leases whereby the Company will recognize the lease payments as an expense over the lease term.

Upon the adoption of IFRS 16, the Company anticipates it will record a balance of lease right of use asset of approximately \$130,000 and associated lease liability for the same amount related to its only lease with a term of 12 months or more on the Statement of Financial Position at January 1, 2019. The lease is related to office space and extends to May 31, 2023. Due to the recognition of additional lease assets and liabilities, a higher amount of depreciation expense and interest on lease liabilities will be recognized under IFRS 16 as compared to the current standard. Lastly, the Company expects a reduction in cash flows from operating activities with a corresponding increase in financing cash outflows from financing activities under IFRS 16.

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, exploration and evaluation of assets. The Board does not impose quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types of equity and is dependent on third party financing, whether through debt, equity, or other means. The properties in which the Company currently has an interest are 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 properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

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 is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, marketable securities and accounts payable and accrued liabilities. The risks associated with the Company's financial instruments and the Company's policies regarding their management are discussed below:

Financial instrument risk exposure

As at December 31, 2018, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at December 31, 2018, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's amounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at December 31, 2018, the Company had a working capital balance of \$3,784,474, including cash of \$3,087,663, and \$674,296 of marketable securities.

Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of December 31, 2018.

(ii) Foreign Currency Risk

The Company operates in Canada and Australia and is exposed to foreign exchange risk arising from transactions in foreign currency. The functional currency of the Company is the Canadian dollar. Currency transaction risk and currency translation risk is the risk that fluctuations of the Canadian dollar in relation to other currencies may impact the fair value of financial assets, liabilities and operating results. As of December 31, 2018, the Company had no financial assets and liabilities that were subject to currency translation risk as set out in the segmented information note of the interim financial statements. The Company maintains a Canadian dollar bank account in Canada and an Australian dollar bank account in Australia.

(iii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of movements in individual equity prices or general movements in the level of the stock market on the Company's financial performance. Commodity price risk is defined as the potential adverse impact of commodity price movements and volatilities on financial performance and economic value. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors the commodity prices of gold, individual equity movements, and the stock market.

RISK FACTORS

The Company's operations are speculative due to the high-risk nature of its business. These are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results.

Negative Operating Cash Flow and Dependence on Third Party Financing

NxGold has no source of operating cash flow and there can be no assurance that the Company will ever achieve profitability. Accordingly, NxGold is dependent on third party financing to continue exploration activities on its properties, maintain capacity and satisfy contractual obligations under its option agreements. The amount and timing of expenditures will depend on a number of factors, including in material part the progress of ongoing exploration, the results of consultants' analyses and recommendations, the entering into of any strategic partnerships and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties, require the Company to sell one or more of its properties or relinquish its interest therein.

Uncertainty of Additional Financing

As stated above, NxGold is dependent on third party financing, whether through debt, equity, or other means. Although NxGold has been successful in raising funds to date, there is no assurance that NxGold will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to NxGold. Volatile commodity markets, a claim against NxGold, a significant event disrupting NxGold's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all.

Value of NexGen Shares

As stated above, the Company does not currently have any assets other than cash, amounts receivable and the NexGen Shares. As a result, the Company's financial condition (and access to cash) is affected by the value of the NexGen Shares from time to time. In recent years, the securities markets in the United States and Canada, and the TSX in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in the price of NexGen common shares will not occur. The financial condition of the Company will be materially negatively affected by any decline in the price of NexGen common shares. In addition, for various reasons it may be necessary for the Company to dispose of some or all of the NexGen Shares at a time when the price thereof is depressed.

Limited Operating History

NxGold is subject to many risks common to enterprises with a limited operating history, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and absence of revenues. There is no assurance that NxGold will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. All of NxGold's properties are in the exploration stage. There can be no assurance that NxGold will be able to develop any of its projects profitably or that any of its activities will generate positive cash flow.

No Known Mineral Resources or Reserves

There are no known bodies of commercial minerals on NxGold's mineral exploration properties. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that NxGold will be successful in its search for mineral resources and mineral reserves.

Exploration Risks

Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is also dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for

the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that NxGold's mineral exploration activities will result in any discoveries of any bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that it will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, most of which factors are beyond the control of NxGold and may result in NxGold not receiving adequate return on investment capital.

Reliance upon Key Management and Other Personnel

NxGold relies on the specialized skills of management and consultants in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on NxGold. NxGold does not currently maintain key-man life insurance on any of its key employees. As NxGold's business activity grows, it will require additional key financial, administrative and qualified technical personnel. Although NxGold believes that it will be successful in attracting, retaining and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining and training qualified personnel, the efficiency of NxGold's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

Uninsurable Risks

Exploration, development and production of mineral properties are subject to certain risks, and in particular, unexpected or unusually geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and NxGold may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on NxGold's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of NxGold.

Conflicts of Interest

Directors of NxGold are or may become directors of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which NxGold may participate, the directors of NxGold may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. NxGold and its directors will attempt to minimize such conflicts.

Permits and Licences

NxGold's operations will require licences and permits from various governmental and non-governmental authorities. NxGold has obtained, or will obtain, all necessary licences and permits required to carry on with activities which it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that NxGold will be able to obtain all necessary licences and permits required to carry out planned exploration, development and mining operations at any of its projects.

In particular, as set forth above the Company has issued a notice of force majeure in respect of the Kuulu Project upon failure to receive the required regulatory permits. There can be no assurance that those permits will be issued and in such event, the Company may have to consider relinquishing its interest in the

Kuulu Project without payment of any consideration.

Environmental and Other Regulatory Requirements

Environmental and other regulatory requirements affect the current and future operations of NxGold, including exploration and development activities, require permits from various federal and local governmental authorities

and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. NxGold believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, along with delays in production and other schedules, as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of NxGold's mineral properties. There can be no assurance that NxGold will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at NxGold's mineral properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on NxGold and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. Any such changes may affect both NxGold's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Competition

The mineral exploration business is a competitive business. NxGold competes with numerous other companies and individuals who may have greater financial resources in the search for and the acquisition of personnel, funding and attractive mineral properties. As a result of this competition, NxGold may be unable to obtain additional capital or other types of financing on acceptable terms or at all, acquire properties of interest or retain qualified personnel.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of NxGold in creating revenues, cash flows or earnings.

No Dividends Paid to Date

No dividends on the Common Shares have been paid by NxGold to date. NxGold anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including NxGold's financial condition and current and anticipated cash needs.

SEGMENTED INFORMATION

As of December 31, 2018, the Company has two geographic segments, one in Canada and one in Australia and disclosed in Note 12 to the Annual Financial Statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning NxGold's general and administrative expenses and exploration and evaluation expenses is provided in the Company's statement of loss and comprehensive loss contained in its Annual Financial Statements for the year ended December 31, 2018, the two-month fiscal year ended December 31, 2017 and the year ended October 31, 2017, which are all available on NxGold Ltd.'s profile at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, planned exploration activities. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

NXGOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018

Such forward-looking information and statements are based on numerous assumptions, including among others, that the results of planned exploration activities are as anticipated, the price of gold, the anticipated cost of planned exploration activities, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual events or results in future periods to differ materially from any projections of future events or results expressed or implied by such forward-looking information or statements, including, among others: negative operating cash flow and dependence on third party financing, uncertainty of additional financing, limiting operating history, value of NexGen Shares, no known mineral reserves or resources, aboriginal title and consultation issues, reliance on key management and other personnel, actual results of exploration activities being different than anticipated, changes in exploration programs based upon results, availability of third party contractors, availability of equipment and supplies, failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry, environmental risks, changes in laws and regulations, community relations and delays in obtaining governmental or other approvals.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.

APPROVAL

The Board of Directors of NxGold Ltd. have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the Company's profile SEDAR website at www.sedar.com or by contacting the head office located at Suite 960, 1055 West Hastings Street, Vancouver, BC V6E 2E9 or at (778) 383-3057.