



NXGOLD ANNOUNCES CLOSING OF OVER-SUBSCRIBED OFFERING

Vancouver, B.C. December 13, 2016 – NXGOLD LTD. (“NxGold Ltd.” or the “Company”), (NXN:TSXV) is pleased to announce that, further to its news release dated December 8, 2016 and December 13, 2016, it has closed a non-brokered private placement (the “Offering”) of 19,840,600 units for aggregate gross proceeds of approximately \$4.96 million.

Each unit consists of one common share of the Company (each, a “Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”) and was issued at a price of \$0.25. Each Warrant is exercisable to purchase one additional Share at a price of \$0.50 for a period of 36 months following the date of closing of the Offering (the “Expiry Date”). If, at any time after April 14, 2017, the closing price of the Shares on the principal market on which the Shares trade is equal to or greater than \$0.75 for a period of 20 consecutive trading days, the Company may accelerate the expiry of the Warrants, in which event the Expiry Date shall be the date (the “Accelerated Expiry Date”) which is 30 days following the dissemination of a news release by the Company announcing the Accelerated Expiry Date.

In connection with the Offering, as compensation for the placement of certain of the units, the Company has agreed to pay an aggregate of \$135,625 in cash, to certain finders. In addition, the Company has agreed to issue to one eligible finder a total of 441,000 finder's warrants. Each finder's warrant will entitle the holder thereof to purchase one Share for a price of \$0.25 for a period of 36 months following the date of closing of the Offering, and is otherwise on the same terms and conditions as the Warrants.

All securities to be issued pursuant to the Offering, including the finder’s warrants, will be subject to a hold period expiring April 14, 2017.

This news release is being issued less than 21 days before the closing of the Offering. This shorter period is reasonable and necessary in the circumstances as the size and nature of the Offering was only just determined.

Two directors and two officers of the Company subscribed for an aggregate of 632,600 units. The participation by insiders in the Offering is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of the securities being issued, nor the consideration being paid, exceeds 25% of the Company’s market capitalization.

The net proceeds of the Offering will be used to satisfy the Company's short term obligations under its previously announced earn-in agreement with Meliadine Gold Ltd., pursuant to which the Company has an exclusive option to earn up to a 70% interest in the Peter Lake Property, and for working capital purposes.

About NxGold

NxGold is a Vancouver-based exploration company. NxGold has entered into an earn-in agreement with Meliadine Gold Ltd. to earn up to a 70% interest in the Peter Lake Gold Property. The Peter Lake Property is located approximately 40 km northwest of Rankin Inlet, Nunavut. The Property covers 4,174 hectares immediately along trend from Agnico Eagle's advanced Meliadine Gold project (with applications pending to increase the size of the Property to 10,670 hectares). The earn-in agreement is subject to final acceptance of the TSX Venture Exchange, conditional acceptance having been obtained.

Neither TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Statement Regarding "Forward-Looking" Information.

This news release 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 activities, events or developments that the Company expects or anticipates will or may occur in the future, including the use of proceeds of the Offering and receipt of final regulatory approval in connection with the earn-in agreement. 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.

Such forward-looking information and statements are based on numerous assumptions, including among others, that regulatory approval to the Offering will be obtained, 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, no known mineral reserves or resources, reliance on key management and other

personnel, potential downturns in economic conditions, actual results of exploration activities being different than anticipated, changes in exploration programs based upon results, and risks generally 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.