



NXGOLD ANNOUNCES FINAL APPROVAL TO EARN-IN AGREEMENT

January 18, 2017 – NXGOLD LTD. (“NxGold Ltd.” or the “Company”), (NXN:TSXV) is pleased to announce that, further to its news release dated October 26, 2016 announcing the execution and delivery of an earn-in agreement (the “**Agreement**”) with Meliadine Gold Ltd. (“**Meliadine**”) pursuant to which the Company has exclusive right to earn up to a 70% interest in the Peter Lake Gold property (the “**Property**”), all required approvals (including the approval of the TSX Venture Exchange) to the Agreement have been obtained.

Pursuant to the terms of the Agreement, the Company has also now paid Meliadine \$75,000 cash and the Agreement bears an “effective date” of January 17, 2017.

Leigh Curyer, Chairman of the Company, commented: “With the earn-in agreement now finalized and over \$5 million raised, the Company is ready to drill test the multiple high grade gold targets on the Peter Lake project. Additionally, the appointment of the executive and technical management team is well underway and will be announced in the near-term.”

NxGold has the exclusive right to earn an initial undivided 50% interest in the Property (the “**First Earn-In Option**”) upon: (i) incurring an aggregate of \$10 million in expenditures on the Property by the third anniversary of the effective date (allocated as: \$1 million on the first anniversary, an additional \$4 million on the second anniversary and an additional \$5 million by the third anniversary of the effective date); and paying \$75,000 in cash on each of the Effective Date (which has now been paid), and the first, second and third anniversary of the Effective Date.

Upon earning a 50% interest in the Property, NxGold has the exclusive right to earn an additional undivided 20% interest in the Property (the “**Second Earn-In Option**”), thereby increasing its interest in the Property to 70%, upon: (i) incurring an aggregate of \$25 million in additional expenditures on the Property by the seventh anniversary of the effective date; (ii) preparing and delivering to Meliadine a Bankable Feasibility Study (a “**BFS**”) by the seventh anniversary date of the effective date; and (iii) paying \$75,000 in cash on each of the fourth, fifth, sixth and seventh anniversary date of the effective date.

NxGold has the right, to satisfy its obligation to incur any of the expenditures required by the First Earn-In Option or Second Earn-In Option, by paying or delivering to Meliadine an equivalent amount in cash or common shares of NxGold.

Pursuant to the Agreement, NxGold may elect to extend the delivery date of the BFS for a maximum of three (3) years in consideration for payment to Meliadine of \$2.5 million in cash for each additional one-

year extension. NxGold is also entitled, at any time after exercise of the First Earn-In Option and for no additional consideration, to extend the time for payment of any of the expenditure requirements in respect of the Second Earn-In Option by up to one year.

NxGold shall be appointed as exclusive operator of the project and shall remain as operator unless it fails to exercise the Second Earn-In Option.

Upon NxGold earning either a 50% interest in the Property and terminating the Agreement or earning a 70% interest in the Property, the parties shall be deemed to have formed a joint venture pursuant to which both parties will contribute their proportionate share of future expenditures. Upon either party reducing its interest to 15% in the joint venture, such interest shall be converted to a 2.5% net smelter return royalty.

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).

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. 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 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.