NORDIC GOLD CORP.
(Formerly Firesteel Resources Corp.)

Condensed Consolidated Interim Financial Statements
(Unaudited, Expressed in Canadian dollars)

For the three and six months ended
July 31, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Nordic Gold Corp. is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by CPA Canada (Chartered Professional Accountants of Canada) for a review of interim financial statements by an entity's auditor.

Nordic Gold Corp.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)
As at:

		July 31, 2018		January 31, 2018
ASSETS				
Current assets				
Cash	$	**11,919,951**	$	17,120,211
Amounts receivable		**364,159**		96,804
Prepaid expenses		**152,533**		270,974
Inventory		**2,935,181**		2,774,023
TOTAL CURRENT ASSETS		**15,371,824**		20,262,012
Non-current assets				
Property, plant and equipment (Note 3)		**22,621,414**		17,351,337
Reclamation bonds (Note 4)		**3,792,484**		3,802,718
Exploration and evaluation assets (Note 5)		**1,691,021**		1,691,021
Equity instruments (Note 6)		**9,000**		115,000
TOTAL ASSETS	$	**43,485,743**	$	43,222,088
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**1,958,056**	$	1,787,099
Non-current				
Convertible debentures (Note 7)		**707,556**		579,564
Gold forward sale derivative liability (Note 9)		**30,386,758**		22,049,708
Decommissioning and rehabilitation provision (Note 8)		**9,242,661**		9,255,965
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		**13,555,290**		8,297,744
Accumulated other comprehensive income		**(45,774)**		(118,686)
Contributed surplus		**2,451,295**		1,968,295
Deficit		**(14,770,099)**		(5,380,773)
TOTAL SHAREHOLDERS' EQUITY		**1,190,712**		4,766,580
Non-controlling interest		**-**		4,783,172
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$	**43,485,743**	$	43,222,088

Nature of Operations (Note 1)
Contingencies (Note 14)

Approved on October 1, 2018 on behalf of the Board:

"Michael Hepworth"
Michael Hepworth - Director

"Ernest Cleave"
Ernest Cleave – Director

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

Nordic Gold Corp.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited, Expressed in Canadian dollars)
For the three and six months ended

	Three months ended July 31, 2018	Three months ended July 31, 2017	Six months ended July 31, 2018	Six months ended July 31, 2017
Expenses				
Management and consulting	**$ 145,950**	$ 47,400	**$ 326,165**	$ 91,700
Professional fees	**42,482**	5,000	**150,126**	17,170
Transfer agent and filing fees	**2,440**	4,955	**14,773**	8,686
Shareholder information	**33,152**	203,935	**69,598**	206,194
Share-based compensation	**511,000**	-	**573,000**	-
Travel	**133,947**	-	**151,861**	-
Office and general	**(64,443)**	15,152	**32,835**	20,862
	804,527	**276,442**	**1,318,357**	**344,612**
Other (income) / expenses				
Interest expense	**1,315**	10,946	**34,199**	10,946
Foreign exchange	**(227,355)**	65	**(443,764)**	2,483
Accretion interest	**13,560**	1,652	**26,990**	1,652
Loss on valuation of embedded derivative liability	**89,698**	-	**100,493**	-
Loss on valuation of gold forward sale derivative liability	**4,731,692**	-	**8,337,050**	-
Gain on sale of exploration and evaluation asset	**-**	-	**-**	(330,286)
Loss on equity investments	**-**	15,000	**106,000**	29,000
Other comprehensive loss				
Unrealized loss on available-for-sale investment	**-**	(15,000)	**$ -**	-
Net loss (income) for the period	**5,413,438**	289,105	**$ 9,479,326**	(58,407)
Basic and diluted loss per common share	**$0.04**	$0.00	**$0.07**	$0.00
outstanding	**146,042,955**	74,490,511	**143,783,727**	73,347,300
Net loss (income) for the period	5,413,438	289,105	**$ 9,479,326**	(58,407)
Items that may be reclassified to statement of loss and comprehensive loss				
Currency translation adjustment	**46,339**	-	45,774	-
Comprehensive loss	**5,459,777**	**289,105**	**$ 9,525,100**	**(58,407)**

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

Nordic Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, Expressed in Canadian dollars)
For the three and six months ended

		July 31, 2018		July 31, 2017
Cash flows from Operating activities				
Net loss for the period	**$**	**9,479,326**	$	58,407
Item not affecting cash:				
Accretion expense		**(26,990)**		-
Interest expense		**(12,398)**		-
Loss on valuation of derivative liabilities		**(8,437,543)**		-
Gain on sale of mineral property		**-**		330,286
Unrealized foreign exchange loss gain		**686,354**		-
Loss on equity instruments		**(106,000)**		(29,000)
Share-based compensation		**(573,000)**		-
		1,009,748		359,693
Changes in non-cash working capital items:				
Other current assets		**(118,441)**		(1,348)
Amounts receivable		**267,355**		(898)
Accounts payable and accrued liabilities		**(170,957)**		(211,631)
Net cash flows (used in)/from operating activities		**987,705**		(213,877)
Cash flows from Investing activities				
Investment in mineral property and equipment		**5,150,111**		1,323,547
Net cash flows (used in) investing activities		**5,150,111**		1,323,547
Cash flows from Financing activities				
Proceeds from short term loan		**-**		(310,849)
Share subscription receivable		**-**		(38,400)
Issue of common shares		**-**		(1,066,162)
Proceeds from convertible debentures		**-**		(420,652)
Advances from related parties		**-**		(472,590)
Net cash flows provided by financing activities		**-**		(2,308,653)
Effects of exchange rate changes on cash		**(937,555)**		
Net decrease/increase in cash during the period		**(5,200,260)**		839,290
Cash, beginning of the period		**17,120,211**		155,271
Cash, end of the period	**$**	**11,919,951**	$	994,561

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

Firesteel Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, Expressed in Canadian dollars)

	Shares #	Share Capital $	Share Subcription Receivable $	Contributed Surplus $	Deficit $	AOCI $	Shareholders' Equity $	Non Controlling Interest	Total Shareholders' Equity $
Balance, January 31, 2017	**72,165,553**	**7,376,768**	**(38,400)**	**1,697,926**	**(6,935,638)**	**$ -**	**$ -**	**$ -**	**2,100,656**
Share subscription	-	-	38,400	-		-	-	-	38,400
Proceeds of unit issuance	15,421,720	1,074,027	-	82,602	-	-	-	-	1,156,629
Unit issuance cost	-	(90,467)	-	-	-	-	-	-	(90,467)
Finder's warrants	-	(13,000)	-	13,000	-	-	-	-	-
Income (loss) for the period	-	-	-	-	(58,407)	-	-	-	(58,407)
Equity component of debentures	-	-	-	91,356	-	-	-	-	91,356
Balance, July 31, 2017	**87,587,273**	**8,347,328**	**-**	**1,884,884**	**(6,994,045)**	**-**	**-**	**-**	**3,238,167**
Balance, January 31, 2018	**87,625,773**	**8,297,744**		**1,968,295**	**(5,380,773)**	**(118,686)**	**4,766,580**	**4,783,172**	**9,549,752**
Common shares issued,	58,417,182	5,257,546	-	-	-	-	-	-	**5,257,546**
Acquisition of Marknad AB (40%)	-	-	-	-	-	-	-	(4,783,172)	**(4,783,172)**
Warrants expired	-	-		(90,000)	90,000	-	-	-	**-**
Share-based payments	-	-	-	573,000	-	-	-	-	**573,000**
Income (loss) for the period	-	-	-	-	(9,479,326)	72,912	-	-	**(9,406,414)**
Balance, July 31, 2018	**146,042,955**	**13,555,290**		**2,451,295**	**(14,770,099)**	**(45,774)**	**1,190,712**	-	**1,190,712**

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

1. NATURE OF OPERATIONS

Nordic Gold Corp., formerly Firesteel Resources Inc. ("Nordic" or the "Company") is engaged in the development of the Laiva Mine in Finland and exploration and evaluation of a resource property in Canada. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "NOR" and is incorporated and domiciled in Canada.

These condensed interim consolidated financial statements were approved by the Board of Directors on October 1, 2018.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, (IAS 34) Interim Financial Reporting using policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Unless otherwise stated, these condensed interim consolidated financial statements have been prepared using the same accounting policies and method of computation as presented in Note 2 of the annual consolidated financial statements of the Company as at and for the year ended January 31, 2018 with the exception of the adoption of IFRS 15 and IFRS 9 effective February 1, 2018.

IFRS 15 – Revenue from contracts with customers The Company adopted IFRS 15 effective February 1, 2018. IFRS 15 addresses revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain benefits from the good or service. The Company did not previously have a revenue policy and there were no significant changes in accounting.

The following is the new accounting policy for revenue recognition under IFRS 15: Revenue Recognition Revenue is generated from the sale of metals. The Company produces gold dore, which also includes copper and silver. The Company's performance obligations relate primarily to the delivery of dore to customers, with each shipment representing a separate performance obligation. Revenue from the sale of gold dore is recognized at the point the customer obtains control of the product. Control is transferred when title has passed to the purchaser and the customer controls the risks and rewards of ownership and the Company has a present right to a payment for the product. Gold dore is sold under pricing arrangements where final prices are determined by market prices subsequent to the date of sale (the Quotational Period or "QP"). Revenue from dore sales is recorded at the amounts estimated to be received on the date the criteria for recognizing revenue are met. Adjustments are made to settlements receivable in subsequent periods based on fluctuations in market prices until the date of final metal pricing. These subsequent changes in the fair value of settlements receivable are recorded in revenue but shown separately from revenue arising from contracts with customers.

IFRS 9 – Financial Instruments the Company adopted IFRS 9 effective February 1, 2018. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, at fair value through other comprehensive income, and at amortized cost. The determination is made at initial recognition. The classification depends on the entity'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 is that, in cases where the fair value option is taken for financial

2. BASIS OF PRESENTATION (Continued)

liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings. The requirements in IAS 39 for classification and measurement were carried

forward to IFRS 9 and the Company's accounting policy with respect to financial liabilities remains unchanged. As a result of the adoption of this standard, the Company has changed its accounting policy for financial assets. The change did not impact the carrying value of any financial assets on the transition date, February 1, 2018. The following is the new accounting policy for accounts receivable under IFRS 9. All other aspects of our accounting policies for financial instruments as disclosed in Note 4 to the audited consolidated financial statements for the year ended January 31, 2018 are unaffected.

New standards not yet adopted Certain pronouncements were issued by the IASB or IFRIC that are not mandatory for accounting periods beginning on or after February 1, 2018 or later periods. They have not been early adopted in these condensed consolidated interim financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below: IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The Company is in the process of assessing the impact, if any, on the financial statements of this new standard. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

Foreign currencies and functional currency

These Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using their functional currency. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of Del Fuego is the Mexican Peso. The functional currency of Nordic Mines Marknad AB is the US dollars. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the Statement of Financial Position date. Non-monetary items that are measured in terms of historic cost in a foreign currency are translated at rates at the date of the initial transaction. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange differences are recognized in the Statement of Loss and Comprehensive Loss in the period in which they arise.

2. BASIS OF PRESENTATION (Continued)

The financial statements of entities that have a functional currency different from that of the Company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the applicable period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as currency translation differences and taken into a separate component of equity.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiaries. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. All intercompany transactions and balances have been eliminated on consolidation. Companies acquired or disposed of during the period are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

Subsidiaries of the Company at July 31, 2018 included:

Name of Subsidiary	Percentage Ownership
Minera Acero Del Fuego, S.A.	100%
Nordic Mines Marknad AB	100%
Nordic Mines OY	100%

Critical accounting estimates and judgments

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements, and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results could differ from those estimates and such differences could be significant.

ARO

Rehabilitation and restoration provision The Company has obligations for the future restoration of its mining tenements. In most instances, removal of assets and restoration of surrounding area occurs many years into the future. This requires judgmental assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining removal cost, and asset specific discount rates to determine the present value of these cash flows

2. BASIS OF PRESENTATION (Continued)

Property, Plant and Equipment

The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

Achievement of Production Phase Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company's reach this level. Management considers several factors including, completion of a reasonable period of commissioning, consistent operating results are being achieved at a pre-determined level of design capacity.

Share-Based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions are disclosed in Note 10 (c).

Income, value added, withholding and other taxes

The Company its subsidiaries and its associate are subject to income, value added, withholding and other taxes. Significant judgment is required in determining the provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recoverability of Exploration and Evaluation properties

The Company is in the process of exploring and evaluating its properties and has not yet determined whether the exploration and evaluation properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

(Expressed in Canadian dollars)

3. PROPERTY, PLANT AND EQUIPMENT

On 8 September 2017, Nordic signed an Agreement (the "Agreement") to acquire up to 100% of Nordic Mines Markand, a wholly-owned subsidiary of Nordic Mines AB ("NOMI"). Under the Agreement, Firesteel had the exclusive right and option to acquire an initial 10% interest in Nordic Mines Markland (the "First Level Interest"), an additional 41% interest (the "Second Level Interest"), an additional 9% interest (the "Third Level interest"), and the final 40% interest (the "Minority Buy-Out Option) by completing the conditions listed below:

	Aggregate Interest in property		Cash paid To Nordic Mines Oy	Shares issued to NOMI(i)
First Level Interest (10% interest) (ii)	**10%**	**$**	**1,300,000**	**-**
Second Level Interest (additional 41% interest) (ii)	**51%**	**$**	**17,000,000**	**-**
Third Level Interest (additional 9% interest) (ii)	**60%**	**$**	**4,000,000**	**-**
Minority Buy-Out Option (additional 40% interest) (iii)	**40%**	**$**	**-**	**58,417,182**
	100%		**22,300,000**	**58,417,182**

(i) Fully paid common shares of Nordic

(ii) As at 31 January 2018, Firesteel has achieved its first, second and third level interest

(iii) On 8 February 2018, Nordic completed the minority buy-out option to acquire the remaining 40% of Nordic Mines Marknad from NOMI (refer to note 24)

For accounting purposes, Nordic Mines Marknad is not considered as a business under IFRS 3 "Business Combinations" as at the time of the acquisition it was not capable of generating outputs that can provide a return to Nordic. As a result, the Nordic Mines Arrangement has been accounted for as an asset acquisition.

The allocation of the consideration to the assets and liabilities acquired on December 8, 2017 is as follows:

Allocation of assets and liabilities		
Current assets	**$**	**2,948,884**
Reclamation bond		**3,705,190**
Property and equipment		**24,107,578**
Current liabilities		**(4,536,687)**
Decommissioning provision		**(9,148,797)**
Non-controlling interest		**(5,257,546)**
	$	**11,818,622**

The total consideration relating to the Nordic Mines Arrangement is summarized below:

Consideration		
Consideration	**$**	**7,886,320**
Transaction costs		**3,932,302**
Total consideration	**$**	**11,818,622**

On 8 February 2018, the Company issued 58,417,182 common shares to acquire the remaining 40% of Nordic Mines Marknad. On the date of issuance, these shares had a fair market value of $0.09 per share, resulting in a fair value $5,257,546 In addition, the Company incurred transaction costs totalling $3,932,302 in connection with the acquisition of Nordic Mines Marknad.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The 40% interest portion acquired during the period has been accounted for as follows:

Share consideration representing total consideration: $5,257,546

Total consideration paid greater than the non-controlling interest that existed as at February 8, 2018 has been allocated to PPE.

4. RECLAMATION BONDS

The reclamation bonds represent cash that has been placed in trust as security to the appropriate party relating to the Company's site closure obligations. The total reclamation deposits of $3,792,484 as at July 31, 2018 consisted of:

Security deposits of totalling $3,650,415 (EUR 2,394,441) (2017 - $nil) for government reclamation bonds for the Laiva Mine project. These security deposits were posted with a Finnish financial institution.

A security Deposit of $104,569 (EUR 65,000) (2017- $nil) held for the Finnish Safety and Chemical Agency. The security deposit was posted with a Finnish financial institution.

A security deposit of $37,500 (2017 - $37,500) in favour of the BC Ministry of Energy and Mines prior to commencement of surface work on the Sheslay Project. A security deposit for this amount was posted with a Canadian financial institution.

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the Sheslay (formerly, Copper Creek), property located in Canada.

On 13 March 2017, the Company sold all of its interest in ROK Coyote for 1,500,000 Colorado shares plus 1,500,000 warrants priced at $0.45 valid for 2 years.

a) Sheslay

The Sheslay property (the "Property") comprises nineteen mineral claim licenses located in the Atlin Mining Division of northwestern British Columbia.

On 15 July 2013, the Company entered into an Option and Joint Venture Agreement (the "Option Agreement") with Prosper Gold Corp. ("Prosper"), whereby Prosper can acquire up to an 80% interest in the Property. In September 2013, the Option Agreement was accepted for filing by the TSX Venture Exchange as Prosper's qualifying transaction.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Pursuant to the Option Agreement, Prosper has the exclusive right and option to acquire an initial 51% interest in the Property (the "First Option"), an additional 19% interest in the Property (the "Second Option"), and an additional 10% interest in the Property (the "Third Option") by completing the conditions listed below:

	Aggregate interest in Property	Cash paid to Nordic	Shares issued to Nordic	Exploration expenditure on the Property
Within five days of TSX-V approval		$ 100,000 (i)	100,000 (i)	$ -
First Option (due by 28 February 2015)	51%	200,000 (i)	200,000 (i)	1,000,000(i)
Second Option (due by 31 August 2016)	70%	200,000	200,000	2,000,000
Third Option (31 August 2017)	80%	500,000	500,000	2,000,000
		$ 1,000,000	1,000,000	$ 5,000,000

During the year ended 31 January 2016, Prosper acquired a 51% interest in the Property by completing the cash, share, and exploration expenditure conditions outlined above. Accordingly, Nordic transferred 51% of its rights, title, and interest in and to the mineral claims comprising the Property to Prosper. Nordic retained a 49% interest in the Property.

During the year ended 31 January 2017, the Company entered into a joint venture agreement. The joint venture agreement specifies that Prosper and Nordic will contribute funds to continue explorations on the Sheslay Property based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Nordic.

6. EQUITY INSTRUMENTS

Equity instruments consist of non-transferable warrants in CXO. The Company acquired a total of 1,500,000 warrants for with a fair market value $180,000. The fair value of warrants was determined using the Black-Scholes pricing model as at acquisition date.

The warrants have an exercise price of $0.45 per share and expire on March 13, 2019. The Company's total investment in CXO does not represent significant influence. CXO's fair value movements were summarized as follows:

	Fair Value	**Accumulated Mark to market (loss)**
Purchase through sale of claims	180,000	
Balance, beginning of year	115,000	(65,000)
Change in fair value	(106,000)	(171,000)
Balance, period ending, July 31, 2018	**$ 9,000**	**$ (171,000)**

(Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURES

On 26 June 2017, the Company issued $220,000 convertible debentures to fund its working capital. The debentures are unsecured, bear interest at 9% per annum, are due on June 30, 2020 and can be converted into common shares of the Company at $0.10 per unit. The convertible feature of the convertible debenture is accounted for as an embedded derivative liability. The assumptions in valuing the embedded derivative on issuance include an expected volatility of 93%, a risk-free rate of 1.17%, and an expected remaining life of 3.0 years resulting in a fair value of $47,967. The assumptions in valuing the embedded derivative as at July 31, 2018 include an expected volatility of 76%, a risk free interest rate of 1.89% and an expected remaining life of 2.17 years, resulting in a fair value of $176,111. Accordingly, the Company recognized a loss on valuation of derivative liability in the amount of $47,097 for the quarter ended July 31, 2018.

The Company also issued 176,000 Debenture finder's warrants exercisable at $0.10 to purchase one additional common share at a price of $0.10 for a period of two years from the date of closing.

On 28 July 2017, the Company issued a further $199,000 in convertible debentures to fund its working capital and acquisition of Nordic Mines Marknad AB. The debentures are unsecured, bears interest at 9% per annum, is due on June 30, 2020, and can be converted into common shares of the Company at $0.10 per unit. The assumptions in valuing the embedded derivative on issuance include an expected volatility of 93%, a risk-free rate of 1.33%, and an expected remaining life of 2.93 years resulting in a fair value of $43,389. The assumptions in valuing the embedded derivative as at 30 April 2018 include an expected volatility of 76%, a risk free interest rate of 1.89% and an expected remaining life of 2.17 years, resulting in a fair value of $159,300. Accordingly, the Company recognized a loss on valuation of derivative liability in the amount of $42,601 for the quarter ended July 31, 2018.

8. DECOMMISSIONING AND REHABILITATION PROVISION

		31-Jul 2018		31-Jul 2017
Balance, beginning of year	$	9,426,269	$	-
Foreign exchange		(195,498)	$	-
Accretion expense		11,890		-
Balance, end of period		**9,242,661**		**-**

The decommissioning and rehabilitation provision are comprised of costs expected to be incurred relating to future remediation and closure activities at the end of the life of the Laiva mine in Finland. These activities include water treatment (cleaning of the mine waters for the sulfidic waste rock and tailings area), land rehabilitation, ongoing care and maintenance on water pumps and pipes, and other reclamation and closure related requirements.

The total inflation adjusted estimated cash flows required to settle the decommissioning and rehabilitation provision is estimated to be $9,242,661 (2017 - $nil), with expenditures expected to be incurred over the course of the next 7 years and upon closure. In determining the carrying amount of the decommissioning and rehabilitation provision as at 31 January 2018, the Company has used a risk-free discount rate of 0.19% and an inflation rate of 0.81% which are the published Finnish rates.

(Expressed in Canadian dollars)

9. GOLD FORWARD SALE DERIVATIVE LIABILITY

In November 2017, the Company entered into a pre-paid Forward Gold Purchase Agreement (the "PPF Agreement") with PFL Raahe Holdings LP ("PFL"). Under the PPF Agreement, PFL has advanced to the Company an amount of $25,395,680 (USD$20,600,000) (the "Gold Prepayment Amount") in one tranche as partial consideration for the purchase of a total of 67,155 ounces of gold. PFL will be entitled to purchase 67,155 ounces of the gold production from Nordic at market price, less a discount of USD$500, from months 18 to 60 commencing from the date of advancement of the funds (December 8, 2017) per the delivery schedule. During the 60 month term of the agreement, PFL may elect to exchange up to 24,000 ounces of gold for shares of Nordic, at a rate of 11,125 shares per ounce. Should PFL elect to exercise this exchange, up to a total of 267,000,000 shares of Nordic will be issued. If Nordic's share price exceeds $0.60 for a period of 180 consecutive trading days, PFL is required to exercise the above conversion.

During the fiscal year ended January 31, 2018, the Company incurred financing fees of $739,680 (USD$600,000) associated with this arrangement.

The Gold Prepayment Amount has not been accounted for as deferred revenue as it may be settled through the delivery of non-financial items (i.e., gold) and/or financial assets (i.e., shares of Nordic), at the option of the buyer. Instead, the Gold Prepayment Amount is accounted for as a derivative under IAS 9, *Financial Instruments*. It is the Company's intention, if possible, to settle the obligations under the arrangement through gold production; however, as noted above, PFL has the option to exchange up to 24,000 ounces of gold for shares of Nordic, at a rate of 11,125 shares per ounce.

The derivative liability was initially recorded at fair value based on the value of the consideration paid to PFL and will be re-measured at fair value on a re-occurring basis at each period end with changes in value being recorded within the statement of loss.

		31-Jul 2018		31-Jul 2017
Balance, beginning of year	$	22,049,708	$	-
Revaluation of derivative		8,337,050		-
Balance, end of period		**30,386,758**		**-**

Pursuant to the terms of the PPF Agreement, the Gold Repayment Amount is secured against the intergroup loans made by Firesteel to Nordic Mines Marknad and Nordic Mines Oy and all loans granted by Nordic to Nordic Mines Marknad and Nordic Mines Oy. In addition, Nordic has agreed to create and assign to PFL a first ranking security interest in the following assets of Nordic Mines Oy: all bank accounts, the real estate mortgage notes and all rights and interests in the property of Noridc Mines Oy, whether real or leasehold, including its buildings and constructions, as well as other assets including furnishings and fixtures.

10. SHARE CAPITAL AND OTHER EQUITY RESERVES

a. Authorized capital

Unlimited number of common voting shares, without par value
Unlimited number of preferred shares, without par value

On July 6, 2018, the Company granted 500,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.14 and are valid for a period of five years from the date of grant.

On June 23, 2018, the Company granted 300,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.15 and are valid for a period of five years from the date of grant.

On June 13, 2018, the Company granted 3,375,000 options to various directors, officers and consultants of the Company. The options have an exercise price of $0.14 and are valid for a period of five years from the date of grant.

On 3 April 2018, the Company granted 800,000 options to a consultant of the Company. The options have an exercise price of $0.10 and are valid for a period of five years from the date of grant.

On 8 February 2018, the Company announced that it has exercised its minority buy-out right to acquire the remaining 40% interest in the share capital of Nordic Mines Marknad AB from NOMI. Following such acquisition, Nordic is the 100% owner of Nordic Mines Marknad AB, and indirectly, the 100% owner of the Laiva Gold Mine, located in Finland.

Regarding the exercise of the minority buy-out right, Nordic issued to NOMI 58,417,182 common shares at a price of $0.09 per share. These shares represent 40% of Nordic's issued and outstanding shares on the date of the transaction.

On 28 July 2017, the Company closed a private placement for 10,665,183 units ("Units") for $0.075 per unit. Each Unit consists of one common shares ("Share") and one half of one common share purchase warrant ("Warrant"), with each full Warrant exercisable for 24 months at an exercise price of $0.15. The Company also issued 102,808 finder's warrants exercisable at $0.075 to purchase one additional Unit.

On 26 June 2017, the Company closed a private placement for 4,756,537 units ("Units") for $0.075 per unit. Each Unit consists of one common shares ("Share") and one half of one common share purchase warrant ("Warrant"), with each full Warrant exercisable for 24 months at an exercise price of $0.15. The Company also issued 250,985 finder's warrants exercisable at $0.075 to purchase one additional Unit.

(Expressed in Canadian dollars)

b. Stock options

As at July 31, 2018, a summary of stock options outstanding and exercisable was as follows:

Grant date	Options Outstanding	Options exercisable	Exercise Price	Expiry date	Remaining contractual life
22-Aug-13	150,000	150,000	$0.10	22-Aug-18	0.06 years
04-Sep-13	150,000	150,000	$0.10	04-Sep-18	0.10 years
13-Jul-13	1,150,000	1,150,000	$0.10	18-Jul-19	0.10 years
02-Oct-14	1,200,000	1,200,000	$0.05	02-Oct-19	1.17 years
28-Dec-16	1,100,000	1,100,000	$0.05	28-Dec-21	3.41 years
20-Sep-17	2,500,000	2,500,000	$0.08	20-Sep-22	4.14 years
20-Dec-17	50,000	50,000	$0.10	20-Dec-22	4.39 years
03-Apr-18	800,000	800,000	$0.10	03-Apr-23	4.68 years
13-Jun-18	3,375,000	3,375,000	$0.14	13-Jun-23	4.87 years
27-Jun-18	300,000	300,000	$0.15	27-Jun-23	4.91 years
06-Jul-18	500,000	500,000	$0.14	06-Jul-23	4.93 years
	11,275,000	11,275,000			

Stock option activity during the year is summarized as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
	#	$
Outstanding, February 1, 2018	6,250,000	0.07
Granted	6,025,000	0.14
Expired	(1,000,000)	0.10
Forfeited	-	-
Outstanding, July 31, 2018	**11,275,000**	**0.11**

c. Share-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is estimated by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, expected dividend yields, expected volatility factors of the expected market price of the Company’s common shares and expected life of the options. During the period ended April 30, 2018, the Company recognized share-based compensation of $573,000 (2017 - $nil). Assumptions used to calculate share based compensation were, expected volatility 133%, a risk free rate of 1.79%, expected life of the option, 5 years, and an expected dividend yield of zero.

(Expressed in Canadian dollars)

10. SHARE CAPITAL AND OTHER EQUITY RESERVES (CONTINUED)

d. Warrants

As at July 31, 2018, a summary of warrants outstanding and exercisable was as follows:

WARRANT ACTIVITY	31-Jul-18	Weighted Average Exercise Price	31-Jul-17	Weighted Average Exercise Price
Balance - Beginning of period	14,099,353	0.15	-	
Issued	-	-	5,738,000	0.15
Exercised	-	-	-	-
Expired	-	-	-	-
Balance - End of period	14,099,353	0.15	5,738,000	0.15

As at July 31, 2018, 5,738,000 warrants expire January 19, 2019, 2,766,754 warrants expire June 26, 2019, and 5,594,600 expire July 28, 2019.

11. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below.

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of members of the Company's Board of Directors and the Company's Chief Executive Officer and Chief Financial Officer.

The remuneration to key management personnel during the three months ended July 31, 2018 and 2017 is as follows:

	2018 $	2017 $
Short-term benefits*	99,000	65,400
Share based compensation	390,000	-
	489,000	65,400

*includes consulting fees, management fees and other employment benefits, pursuant to consultancy arrangements

(Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

The Company has one reportable segment, being the acquisition and exploration of gold resource properties. The following table provides segmented disclosure of assets and liabilities based on geographic location:

	Canada	Finland	Total
31-Jul-18			
Current assets	11,071,271	4,300,553	**15,371,824**
Non-current assets			**-**
Other non-current assets	9,000	3,792,484	**3,801,484**
Property and equipment	-	22,621,414	**22,621,414**
Exploration and evaluation assets	1,691,021	-	**1,691,021**
Liabilities			
Current liabilities	621,290	1,336,766	**1,958,056**
31-Jul-17			
Current assets	1,477,292	-	**1,477,292**
Non-current assets			
Other non-current assets	1,474,547	-	**1,474,547**
Exploration and evaluation assets	1,691,021	-	**1,691,021**
Liabilities			**-**
Current liabilities	1,075,397	-	**1,075,397**

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The fair value of the Company's cash, amounts receivable and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the consolidated statement of financial position due to their short term maturity.

Risk management is carried out by the Company's management team under polices approved by the Board of Directors. The Board of Directors also provides reward guidance for overall risk management. There has been no significant change in the risks, objects, policies and procedures during 2018 and 2017. As at July 31, 2018, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, reclamation bonds, and amounts receivable. Cash and cash equivalents consist of cash held at a Canadian bank. A substantial portion of the Company's amounts receivable is Input Tax Credit. The carrying amount of amounts receivable represents the maximum credit exposure.

Management monitors the exposure to credit risk on an ongoing basis and does not consider such risk significant at this time.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses. The carrying value of accounts payable and accrued liabilities approximates its fair value due to their relatively short period to maturity. As at July 31, 2018, the Company had a cash balance of $11,919,951 to settle current liabilities of $1,958,056. The Company is not exposed to significant liquidity risk.

The contractual undiscounted future cash flows of the Company's significant non-derivative financial liabilities are as follows:

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's operations, net earnings or the value of financial instruments

d) Foreign currency risk

Foreign exchange risk is the risk that variations in exchange rates between foreign currencies will affect the Company's operating and financial results. The Company is exposed to significant foreign currency risk as a 5% shift in foreign exchange rates would result in an impact of approximately $449,843.

Interest rate risk is the risk that interest rate fluctuations will affect the Company's operating and financial results. Management does not believe that the Company is exposed to significant interest rate risk.

e) Commodity price risk

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Commodity prices are impacted by global economic events that dictate the levels of supply and demand. Nordic's management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when it deems appropriate.

The Company is exposed to commodity price risk with respect to the price of gold. Commodity price risk is defined as the potential impact on earnings and economic value due to price movements. The Company closely monitors prices of gold to determine the appropriate course of action to be taken by the Company. Price risk could adversely affect the Company. The Company's future profitability and viability of development depends upon the market price of gold.

14. CONTINGENT LIABILITY

The Company received a notice of assessment from the Canada Revenue Agency (CRA) in October 2017 for the years ended January 31, 2014 and 2015, regarding a disallowed BC Mining Tax Credit application amounting to approximately $266,000. Management disagrees with the notice of assessment, and intends to dispute the notice. As at July 31, 2018, management has assessed that payment of the balance is not probable.

15. SUBSEQUENT EVENTS

On September 6, 2018 the Company announced that it has agreed to terms with PFL Raahe Holdings LP ("**PFL**") to amend certain provisions of the Pre-Paid Forward Gold Purchase Agreement (the "**Agreement**") dated November 10, 2017 between PFL and the Company – which Agreement provided Nordic with US$20.6 million in funding to restart the *Laiva Gold Mine* in Finland. Specifically, Section 23 of the Agreement allowed PFL to elect, in lieu of delivery of up to 24,000 ounces of gold (from the restart of the *Laiva Gold Mine*), to exchange such 'gold delivery' into up to 270 million common shares of Nordic ("**Nordic Shares**") in increments of 100 ounces of gold equal to 1,125,000 Nordic Shares, subject to PFL restricting such exercise at anytime such that it would not, following exercise, own more than 20% of the Nordic shares. The parties have now agreed to remove the entirety of Section 23 of the Agreement in return for the following:

(i) PFL will be granted a 2.5% net smelter return ("**NSR**") on gold production from the *Laiva Gold Mine*;
(ii) PFL will be issued 36.5 million Nordic Shares – representing 19.99% of the Nordic Shares following such issue;
(iii) a payment of US$1.5 million will be made to PFL by Nordic within six months of entering into a definitive amendment to the Agreement;
(iv) assuming the currently planned private placement to raise up to CDN$10 million in gross proceeds is successful (see below), issuing PFL a 'top-up' number of common shares (being 19.99% of the number of Nordic Shares issued in the private placement); and
(v) lowering the 'upside participation' price in the Agreement from US $1,234.50/oz to US$1,200.00/oz.
The foregoing amendments are subject to the approval of the TSX Venture Exchange and the entering into of definitive documentation.

On September 6, 2018, Nordic further announced that it intends to complete a private placement to raise up to CDN$10 million in gross proceeds. Nordic's present intention is to issue units ("**Units**") consisting of one Nordic Share and a full warrant (each a "**Warrant**") at CDN$0.15 per Unit. Each Warrant forming part of the Units is expected to be exercisable for 24 months at CDN$0.20 per share and will contain an early acceleration clause if the Common Shares trade above CDN$0.60 for 30 consecutive days.

On August 10, 2018 300,000 stock options were exercised by Directors of the Company at $.10.

Management's Discussion and Analysis

For the Quarter Ended 31 July 2018

Stated in Canadian Funds

Date: October 1, 2018

NORDIC RESOURCES INC.
FOR THE PERIOD ENDED JULY 31, 2018

Canadian Funds

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Nordic Gold Corp., formerly Firesteel Resources Inc. ("Nordic" or the "Company") is for the quarter ended July 31, 2018. This MD&A was prepared to conform with National Instrument ("NI") 51-102F1 and was approved by the Board of Directors prior to its release. This MD&A should be read in conjunction with the Company's Audited Annual Consolidated Financial Statements for the year ended January 31, 2018 and the Company's Condensed Consolidated Interim Financial Statements for the three and six months ended July 31, 2018. The Audited Consolidated Financial Statements for the fiscal year ended January 31, 2018 have been prepared in accordance with International Financial Reporting Standards.

The Company's reporting currency is the Canadian dollar and all dollar amounts are in Canadian dollars, unless otherwise indicated.

Discussion of the Company, its operations and associated risks is further described in the Company's filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

The Board of Directors of the Company has approved the disclosure contained in this MD&A on October 1, 2018.

FORWARD LOOKING STATEMENTS

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve many known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	**Key Assumptions**	**Most Relevant Risk Factors**
Continued exploration of mineral properties	The exploration and drilling will reveal mineral resources increasing the value of the property	There is no certainty that the exploration projects will result in an increase in the existing resource
The ability to raise capital in the future to continue on-going operations	The Company will be able to raise capital as required	The Company has disclosed that this will be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

General

Nordic is a junior mining company engaged in the restart of the Laiva Gold Mine ("Laiva Mine") in Finland. Nordic is also engaged in the acquisition and exploration of prospective precious and base metal properties in Canada and stable jurisdictions around the world. The Company's objective is to enhance shareholder value by identifying and securing undervalued exploration and mining opportunities and developing them to more advanced stages.

The Company was incorporated under the laws of the Province of Alberta on 14 February 1992. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "NOR" and is incorporated and domiciled in Canada. The Company's administrative office is located at Suite 1001 – 409 Granville Street, Vancouver, BC, V6C 1T2.

The Company acquired 100% of Nordic Mines Marknad on February 8th, 2018 and as a result, now owns 100% of the Laiva Mine. The short term plan is to restart production at the past producing Laiva Mine in Finland. The Company is currently targeting production in the 4th quarter of 2018. Nordic also owns 49% of a highly prospective property in British Columbia, Sheslay Property referred to in previous documents as Copper Creek and Sheslay property.

Laiva Mine- Finland

The Laiva Mine property is located near the town of Raahe. Laiva is one of the largest gold resources in the region. The Laiva Mine is currently fully built and fully permitted. The mine produced gold for nearly 2 years until it was shut down in 2014. The mine is a conventional open pit mine with two pits. Exploration in the Laiva area started in 2005. Previous work was done on the mine by Endomines Oy and Outokumpu. Historic expenditure is estimated at €220 million.

The mine includes a 2mtpa autogenous Outotec mill and leaching plant completed in 2011. This mill is in very good condition having only been in production for two years and then on care and maintenance. Mining was initiated in Q3 2011 and the first doré bar was cast in December that year.

The mine has excellent access to local infrastructure, including grid power (110 kV line), paved all weather roads (within 5 km) and port (within 20 km). All the requisite infrastructure is currently in place. In addition, there is blue sky potential from 3 highly prospective 100% owned, fully permitted, nearby exploration properties (4295 ha).

During the year ended January 31, 2018, Nordic signed a Memorandum of Understanding with Nordic Mines AB (NOMI - NASDAQ OMX) to acquire and to restart the Laiva Mine in western Finland. The deal closed on 8 December 2017. The project is financed to production via a Prepaid Gold Forward Sale with Pandion Mine Finance. During the year ended January 31, 2018, the Company had acquired a 60% interest in the Property by achieving its first, second and third level interest. On February 8, 2018 the Company acquired the remaining 40% of the Laiva Mine through the 100% acquisition of Nordic Mines OY.

For the quarter ended July 31, 2018 and subsequent months, the Company continued to build out its operating team necessary to restart the Laiva Mine. Such appointments included a Mine Manager on March 22, 2018, the COO and General Manger on April 9, 2018, a new CFO with operational experience on June 1, 2018, and a Process and Plant Manager on June 21, 2018. These managerial appointments are considered a key step in the re-start activities. Activities preparing for production were ongoing including maintenance and upgrading activities at the plant targeting recommissioning in October. Mining activities are ongoing including pre-stripping and ore stock after now having signed a contract with the mining contractor. The Company continues to work with the regulatory authorities in Finland to have the necessary operating permits in hand to start up the plant in October targeting a 1st gold pour early November.

The Sheslay Property

On 24 February 2015, the Company announced that Prosper Gold Corp. ("Prosper") had earned a 51% interest in the Star Porphyry Copper Gold Project in north western British Columbia by completing all of the terms of the first stage of its option agreement with Nordic. During the year ended 31 January 2017, the Company entered into a joint venture agreement on 30 August 2016. The joint venture agreement specifies that Prosper and Nordic will contribute funds to continue explorations on the Sheslay Property based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Nordic.

The Star Project has many characteristics of alkali porphyry copper-gold deposits discovered within the Stikine Arch region of British Columbia, a geologically important region that hosts a number of large deposits. Historic exploration has identified five main copper-gold occurrences on the Property, including the Star, Star East, Star North, Copper Creek, and Pyrrhotite Creek targets. In 2013 and 2014, Prosper Gold conducted soil geochemical and airborne magnetometer surveys over all five target areas. An induced polarization and resistivity survey was conducted over the Star, Star East, Star North and Copper Creek target areas. Prosper Gold completed 2,339.77 m of diamond drilling during its 2013 and 2014 programs on the Star Target, the only target to be drill tested to date. Drill results confirmed historic copper-gold values and extended mineralization to depth.

ROK Coyote Property

On 13 March 2017, the Company announced that it accepted a binding purchase agreement from Colorado Resources for the purchase of 100% of the ROK Coyote mineral claims. Under the agreement, Nordic sold all of its interest in ROK Coyote for 1,500,000 Colorado shares plus 1,500,000 warrants priced at $0.45 valid for 2 years. The common shares have been subsequently sold by the Company.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS

On 8 February 2018, the Company announced that it had exercised its minority buy-out right to acquire the remaining 40% interest in the share capital of Nordic Mines Marknad AB from Nordic Mines AB (publ). Following such acquisition, Nordic is the 100% owner of Nordic Mines Marknad AB, and indirectly, the 100% owner of the Laiva Gold Mine, located in Finland. In connection with the exercise of the minority buy-out right, Nordic issued to NOMI 58,417,182 common shares. These shares represented 40% of Nordic's issued and outstanding shares on the date of the transaction. As a result of Nordic acquiring 100% of Nordic Mines Marknad AB, the JV agreement has been terminated in accordance with its terms.

On June 12, 2018, the Company announced the results of an economically positive Preliminary Economic Assessment **("PEA")** for the Company's 100% owned Laiva Mine, near Raahe in Finland. Laiva is a past producing gold mine that has been on care and maintenance since 2014.and is now 100% owned by Nordic. The PEA was conducted by John T. Boyd Company of Denver, Colorado **("Boyd").**The results of the PEA demonstrated an economically robust project with a pre-tax IRR of 44.6% with an NPV of $92 million and an after-tax IRR of 36.5% with an NPV of $69 million.

Other Highlights include[1]

- Pre-production capex $7,115,103
- 75,981 ounces of average annual gold production at a cash cost of $863 per ounce and AISC of $974 per ounce
- Measured mineral resources of 355,000 tonnes at 1.132 g/t Au and Indicated mineral resources of 3,442,000 tonnes at 1.248 g/t Au
- Inferred mineral resources of 9,030,000 tonnes at 1.531 g/t Au
- Mill grade of 1.45 grams per tonne with a recovery of 90.4%
- Life of Mine production of 456,600 ounces gold over a 6-year mine life

The PEA is preliminary in nature and includes Inferred Mineral Resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that PEA results will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Companies typically rely on comprehensive feasibility reports on mineral reserve estimates to reduce the risks and uncertainties associated with a production decision. The Company has not completed a feasibility study on, nor has the Company completed a mineral reserve estimate at the *Laiva Mine* and as such the financial and technical viability is deemed to have higher risk than if this work had been completed. Based on historical engineering and geological reports, historical production data and current engineering work completed or in process by Nordic, the Company intends to move forward with the development of this asset."

[1] Company news release dated June 12, 2018

FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three Months Ended	Jul 18	Apr 18	Jan 18	Oct 17	Jul 17	Apr 17	Jan 16	Oct 16
Total Revenues	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	(5,413,438)	(4,065,888)	(1,032,506)	(386,018)	(304,105)	245,698	(116,760)	(44,882)
Income (loss) for the period	(5,413,438)	(4,065,888)	2,567,798	(386,018)	(289,105)	245,698	(116,760)	(44,882)
Loss per share (basic and diluted)	(0.04)	(0.03)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	43,485,743	43,053,497	43,222,088	4,200,488	4,642,860	2,857373	2,180,983	2,034,542
Working capital (deficit)	13,413,768	16,651,140	18,431,573	(582,964)	401,895	34,796	124,921	(225,045)

Total assets of the Company materially increased for the Company from the period ending October 2017 to the period ending July 2018 primarily as a result of the completion of the 100% acquisition of Nordic Mines OY on February 8, 2018 and the completion of the gold forward sale financing.

The loss for the period ending July 31, 2018 is primarily attributable to the loss on the period end valuation of the gold forward sale derivative liability. The change in this valuation is primarily driven by changes in exchange rates and the closing share price of the Company at the period end date. The Company also incurred $511,000 (2017 - $nil) in share based compensation expenses for stock options granted to certain directors, officers and consultants of the Company.

The Company moved from a working capital deficit position of ($582,964) for the period ending October 2017 to a working capital surplus position as at July 31, 2018 because of the completion in November 2017 of the pre-paid Forward Gold Purchase Agreement whereby PFL Raahe Holdings LP ("PFL") advanced to the Company $25,395,680 (USD 20,600,000) as a partial consideration for the purchase of a total of 67,155 ounces of gold. The Company's working capital position did decrease from the period ending April 30, 2018 to the period ending July 31, 2018 as it continued to advance the development of the Laiva Mine.

RESULTS OF OPERATIONS

The net loss for the period ended July 31, 2018 was $5,413,438 which compares to a net loss of $289,105 incurred during the comparative period of 2017. The increase in the loss for the period ending July 31, 2018 as compared to the loss in 2017 primarily relates to the loss generated by the period end valuation of the gold forward sale derivative. The Company's expenses also materially increased for the period ended in 2018 as compared to the prior year as the Company ramped up activities on all fronts when the Company signed an agreement on September 8, 2017 to acquire up to 100% of Nordic Mines Marknad who is the 100% owner of Nordic Mines OY and the 100% owner of the Laiva Mine.

The variance between current and comparative period management and consulting fees can be attributed to additional consulting fees relating to the short-term loan received in prior period. Certain management personnel have accepted an increase in remuneration, which resulted in an increase in management fees during the period ended July 31, 2018 along with increased staffing levels. The Company also incurred $511,000 in share based compensation expense with nil being incurred for the comparable period in 2017.

Expenses for the period ended July 31, 2018 have significantly increased as compared to the period ended July 31, 2017 as a result of certain overhead related expenses incurred in Finland being expensed in the Statement of Operations and Comprehensive Loss.

OUTSTANDING SHARES

1) Issued and Outstanding Shares

As at July 31, 2018, the Company had 146,342,955 common shares issued and outstanding. As at July 31, 2018, the fully diluted amount of 170,217,308 includes vested options of 10,075,000 and 14,099,353 warrants. As at the date of this report, the Company had 146,042,955 common shares issued and outstanding. As at the date of this report, the fully diluted amount of 170,217,308 includes vested options of 10,075,000 and 14,099,353 warrants.

Under the Company's stock option plan, the Company may grant stock options to its directors, officers, consultants and employees. Options granted under this plan may expire up to ten years from the date of grant.

Stock option activity during the period is summarized as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
	#	$
Outstanding, February 1, 2018	6,250,000	0.07
Granted	6,025,000	0.14
Expired	(1,000,000)	0.10
Forfeited	-	-
Outstanding, July 31, 2018	**11,275,000**	**0.11**

Details of stock options outstanding as at July 31, 2018 are as follows:

Grant date	Options Outstanding	Options exercisable	Exercise Price	Expiry date	Remaining contractual life
22-Aug-13	150,000	150,000	$0.10	22-Aug-18	0.06 years
04-Sep-13	150,000	150,000	$0.10	04-Sep-18	0.10 years
13-Jul-13	1,150,000	1,150,000	$0.10	18-Jul-19	0.10 years
02-Oct-14	1,200,000	1,200,000	$0.05	02-Oct-19	1.17 years
28-Dec-16	1,100,000	1,100,000	$0.05	28-Dec-21	3.41 years
20-Sep-17	2,500,000	2,500,000	$0.08	20-Sep-22	4.14 years
20-Dec-17	50,000	50,000	$0.10	20-Dec-22	4.39 years
03-Apr-18	800,000	800,000	$0.10	03-Apr-23	4.68 years
13-Jun-18	3,375,000	3,375,000	$0.14	13-Jun-23	4.87 years
27-Jun-18	300,000	300,000	$0.15	27-Jun-23	4.91 years
06-Jul-18	500,000	500,000	$0.14	06-Jul-23	4.93 years
	11,275,000	11,275,000			

2) Warrants

Warrant activity during the period is summarized below:

WARRANT ACTIVITY	31-Jul-18	Weighted Average Exercise Price	31-Jul-17	Weighted Average Exercise Price
Balance - Beginning of period	14,099,353	0.15	-	
Issued	-	-	5,738,000	0.15
Exercised	-	-	-	-
Expired	-	-	-	-
Balance - End of period	14,099,353	0.15	5,738,000	0.15

As at July 31, 2018, 5,738,000 warrants expire January 19, 2019, 2,766,754 warrants expire June 26, 2019, and 5,594,600 expire July 28, 2019.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital balance of $13,413,768 as at July 31, 2018 compared to working capital of $18,431,573 as at January 31, 2018.

The Company maintained cash of $11,919,951 as of July 31, 2018 (January 31, 2018 - $17,120,211) to meet short-term business requirements. As at July 31, 2018, the Company had current obligations primarily related to care and maintenance and re-start activities at the Laiva Mine

Cash used in operating activities during the period ended July 31, 2018 totalled $1,009,748 (comparative period $(359,963).

Cash used in investing activities during the period ended July 31, 2018 totalled $5,150,111 (comparative period $1,323,547).

Cash raised from financing activities during the period ended July 31, 2018 totalled $nil (comparative period $2,308,653).

COMMITMENTS

The Company had no commitments as at July 31, 2018 and as at the date of this report

PROPOSED TRANSACTIONS

The Company does not have any new or proposed transactions contemplated as of the date of this report.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below.

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of members of the Company's Board of Directors and the Company's Chief Executive Officer and Chief Financial Officer.

The remuneration to key management personnel during the three months ended July 31, 2018 and 2017 is as follows:

	2018 $	2017 $
Short-term benefits*	99,000	65,400
Share based compensation	390,000	-
	489,000	65,400

*includes consulting fees, management fees and other employment benefits, pursuant to consultancy arrangements

CRITICAL ACCOUNTING ESTIMATES

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements, and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results could differ from those estimates and such differences could be significant.

ARO

Rehabilitation and restoration provision The Company has obligations for the future restoration of its mining tenements. In most instances, removal of assets and restoration of surrounding area occurs many years into the future. This requires judgmental assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining removal cost, and asset specific discount rates to determine the present value of these cash flows

Property, Plant and Equipment

The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

Achievement of Production Phase Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company's reach this level. Management considers several factors including, completion of a reasonable period of commissioning, consistent operating results are being achieved at a pre-determined level of design capacity.

Share-Based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions are disclosed in Note 4.

Income, value added, withholding and other taxes

The Company its subsidiaries and its associate are subject to income, value added, withholding and other taxes. Significant judgment is required in determining the provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recoverability of Exploration and Evaluation properties

The Company is in the process of exploring and evaluating its properties and has not yet determined whether the exploration and evaluation properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

FINANCIAL INSTRUMENTS

The fair value of the Company's cash, amounts receivable and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the consolidated statement of financial position due to their short term maturity.

Risk management is carried out by the Company's management team under polices approved by the Board of Directors. The Board of Directors also provides reward guidance for overall risk management. There has been no significant change in the risks, objects, policies and procedures during 2018 and 2017. As at July 31, 2018, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, reclamation bonds, and amounts receivable. Cash and cash equivalents consists of cash held at a Canadian bank. A substantial portion of the Company's amounts receivable is Input Tax Credit. The carrying amount of amounts receivable represents the maximum credit exposure.

Management monitors the exposure to credit risk on an ongoing basis and does not consider such risk significant now.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses. The carrying value of accounts payable and accrued liabilities approximates its fair value due to their relatively short period to maturity. As at July 31, 2018, the Company had a cash balance of $11,919,951 to settle current liabilities of $1,958,056. The Company is not exposed to significant liquidity risk.

The contractual undiscounted future cash flows of the Company's significant non-derivative financial liabilities are as follows:

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's operations, net earnings or the value of financial instruments

a. Foreign currency risk

Foreign exchange risk is the risk that variations in exchange rates between foreign currencies will affect the Company's operating and financial results. The Company is exposed to significant foreign currency risk as a 5% shift in foreign exchange rates would result in an impact of approximately $449,843.

Interest rate risk is the risk that interest rate fluctuations will affect the Company's operating and financial results. Management does not believe that the Company is exposed to significant interest rate risk.

b. Commodity price risk

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Commodity prices are impacted by global economic events that dictate the levels of supply and demand. Nordic's management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when it deems appropriate.

The Company is exposed to commodity price risk with respect to the price of gold. Commodity price risk is defined as the potential impact on earnings and economic value due to price movements. The Company closely monitors prices of gold to determine the appropriate course of action to be taken by the Company. Price risk could adversely affect the Company. The Company's future profitability and viability of development depends upon the market price of gold.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Consistent with other companies in the mineral exploration industry, the Company has no source of operating revenue. The Company's July 31, 2018 Condensed Consolidated Interim Financial Statements provide a breakdown of the general and administrative expenses for the period under review and an analysis of the capitalized and expensed exploration and development costs incurred on its mineral properties.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

RISK FACTORS

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering of the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company was successful in entering into agreements with other parties for the right to earn ownership interests in the Company's properties during the past year, there is no assurance that such sources of financing will be available on acceptance terms in the future, if at all.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's condensed interim consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the Audit Committee.

APPROVAL

The Board of Directors of the Company have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

A CAUTIONARY TALE

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative 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. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted

On Behalf of the Board of Directors

“Michael Hepworth”

Michael Hepworth

President and CEO

October 1, 2018