



NSGold Corporation (NSX-TSXV)

Update Report – April 17, 2012

NSGold Corporation is a Canadian mining and exploration Company dedicated to develop its mineral resource properties located in the province of Nova Scotia, Canada.

The Company currently focuses most of its resources on its flagship property, the Mooseland gold project, which has an NI 43-101 compliant resource estimate of 390,000 ounces of gold based on results from 167 drill holes totaling 40,371 metres. NSGold will increase that resource in the 2nd quarter of 2012 when analytic results from its 2011 drill program are incorporated in an updated resource report.

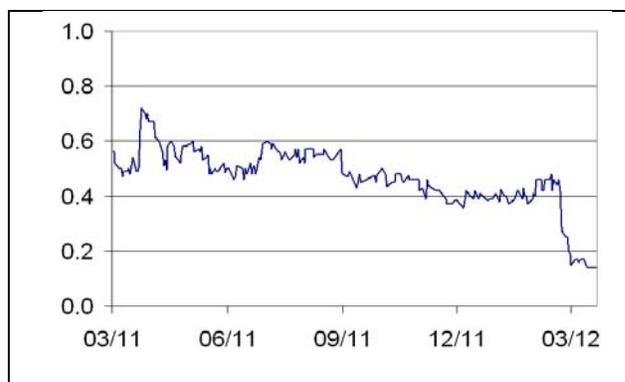
NSGold has an Enterprise Value per Resource of \$17.56, while six of its peers trade at an average EV/Resource of \$51.88, or 2.95 times higher than NSGold's. Based on these calculations and the positive outlook for the Company, we reiterate our buy recommendation for NSGold with a price target of \$0.53 or 295% higher than today's 30-day average stock price.



✓ In a recent Letter to Shareholders, Mr. Hans Van Hoof, the Chairman and CEO of NSGold, mentioned one sentence that particularly caught investors' attention: "NSGold Corp. will be the vehicle for our next potentially transformational deal, one that I hope will also alleviate the shares' illiquidity." This suggests to us that a significant corporate transaction may be on the horizon.

✓ NSGold has a strong management team with the right balance of financing and mining experience. Mr. van Hoof, the Chairman and CEO, has vast connections in the financial markets and its CFO, Mr. Glenn Holmes, helped raise a quarter of a billion dollars for a previous mining company he was employed at. Furthermore, the Company engaged two veterans in the mining industry: John Hedges, a geologist and minerals economist with over 35 years of experience in the mining industry and James Proudfoot, a mining engineer with more than 45 years experience in the mining industry.

✓ Mr. van Hoof, through a private company, is NSGold's largest shareholder. He controls close to 11.1 million shares of NSGold, or about 25.8% of all issued and outstanding common shares. He's bought some more shares in 2011 and only takes a \$1 annual salary. It's a big plus when the management of a company is a major shareholder, as it will try to advance the company, and its share price, while keeping dilution to a minimum. Another significant shareholder is Sprott Asset Management, which controls approximately 19.8% of all issued and outstanding shares of NSGold.



Market Data	
Price	C\$0.14
Sector	Metals & Mining
52-Week Price Range	C\$0.25 - C\$0.88
Shares Issued (m)	43.55
Market Cap (m)	C\$6.10
Listings	NSX.V (TSX Venture) ONS (Frankfurt)
Website	http://www.nsgoldcorp.com

The Company

NSGold Corporation is a Canadian mining and exploration Company dedicated to develop its mineral resource properties located in the province of Nova Scotia, Canada. The Company is currently focusing most of its resources on its flagship property, the Mooseland gold project, which has an NI 43-101 compliant resource estimate of 390,000 ounces of gold. NSGold will increase that resource in the second quarter of 2012 when solid results from its 2011 drill program are incorporated in an updated resource report.

Next to Mooseland, NSGold is also 100% owner of five other gold exploration properties and two Rare Earth Elements deposits. Moreover, it has optioned two former gold-producing properties. All of these assets are located in Nova Scotia, Canada and are in different stages of development.

NSGold Corporation became listed on the TSX Venture Exchange late June, 2010 via a "Reverse Take Over" supported by a "Qualifying Transaction" with Kermode Capital Ltd, a Capital Pool Company (CPC). NSGold's shares are listed on the TSX Venture Exchange under the symbol NSX and on the Frankfurt Stock Exchange with symbol ONS.

NSX Silver Spin-Out

In April 2011, NSGold signed a definitive option agreement to acquire 100% ownership of the Dios Padre Property, including the historic Dios Padre Silver Mine, located in the State of Sonora, Mexico. Based on historic exploration programs, sampling and historic resource estimates, the Company targets to get a resource estimate of at least 60 million ounces of silver at Dios Padre's primary zone.

Three months later, NSGold initiated the process to split its Mexican silver assets, located in Mexico, and its gold, base metals and rare earths properties, located in Nova Scotia, Canada. NSGold's management took this decision for two main reasons. First, the share price of NSGold at the time only reflected its cash position and its Nova Scotian assets, which made it difficult to execute corporate transactions at a fair price. And secondly, some potential investors are only interested in investing in either a silver company or a gold company and not both.

As a result, a new Company called NSX Silver Inc. was incorporated in August 2011 as a wholly-owned subsidiary of NSGold.

At an Extraordinary General Meeting late 2011, an overwhelming 99.98% of shares voted in favor of distributing the shares of the new Company as a tax free Reduction of Capital. This was important, because this way the distribution of the shares was treated as non-taxable for most of NSGold's shareholders where in most other cases, withholding tax would have to be paid.

Prior to the actual distribution record date of the new shares, NSX Silver acquired all the Mexican mining concessions and silver exploration activities from NSGold.

On March 16, 2012, NSGold's shareholders received one share of NSX Silver Inc. for every share of NSGold Corp. they owned. The Board of Directors and management team of both companies is identical, with overheads split equally at the time of the spin-out. NSGold will continue to hold approximately 2,015,000 shares of NSX Silver to fulfill its obligations towards warrants and options holders of NSGold.

NSGold's former Mexican Silver assets will be discussed in our upcoming initial Company Report on NSX Silver Inc.

Upcoming Corporate Deal?

Immediately after the spin-out, Mr. Hans Van Hoof sent a Letter to Shareholders, in which there was one sentence that particularly caught investors' attention: "NSGold Corp. will be the vehicle for our next potentially transformational deal, one that I hope will also alleviate the shares' illiquidity."

So that makes us wonder if there's already a new corporate deal on the horizon?

Mooseland

Introduction

Mooseland is a 1,732 hectares advanced-stage exploration property in Nova Scotia, Canada. Modern towns and cities with skilled laborers exist within commuting distance and a paved secondary highway is adjacent to the property. An electrical power line runs along this highway and water is readily available.

The Mooseland Property has a major, regional east-west trending anticlinal structure, which hosts the gold-bearing saddle veins. The anticlinal structure is

disrupted by a northwest trending fault, dividing the property into the West Zone and East Zone.



General Location of the West and East Zones at Mooseland separated by the Tangier River.

In July 2010, NSGold initiated a drill program that focused on obtaining data necessary to verify and classify the historical gold resource estimates from previous owners, in accordance with National Instrument 43-101. Twenty-six diamond drill holes, totaling 6,507 metres, were completed during 2010 with 13 holes being drilled on each of the West and East Zones.

Based on the results of the 2010 drill program, an NI 43-101 compliant resource report was prepared by MineTech International Inc. Total inferred gold resources for Mooseland were estimated at 390,000 ounces of gold. No indicated or measured mineral resources were identified, primarily because the drilling intercept spacing was not sufficient to establish grade continuity to the levels required by those categories.

Additionally, the report also showed that the West Zone was open at depth and towards the west and that the East Zone was also open at depth and towards the east.

Zone	Tonnes above cut-off	Grade (g/tonne)	Total Ounces Au
West	1,400,000	4.6	210,000
East	1,100,000	5.1	180,000
Total	2,500,000	4.9	390,000

Summary of the NI 43-101 compliant resource estimate for Mooseland with a cut-off grade of 3 grams per tonne.

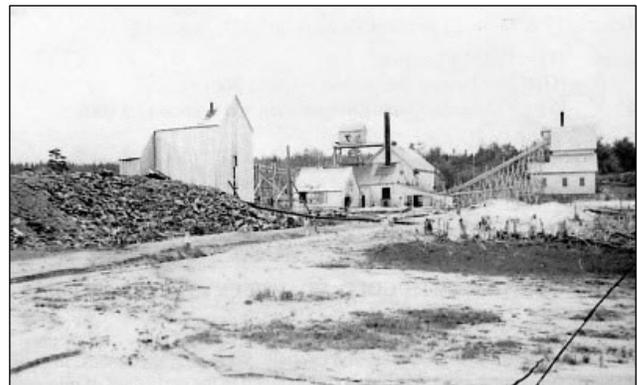
In August 2011, the Company initiated a follow-up drill program at Mooseland to expand the mineralized resource. In order to do so, under-explored areas of the historic mineralized zones on Mooseland were drilled, as well as several holes planned for last year's program that couldn't be reached due to adverse weather conditions.

Eight holes were drilled on both the East Zone and West Zone of the property, totaling 5,020 metres. Fifteen holes intersected mineralized veins and produced a total of 135 samples that assayed more than 1 gram of gold per tonne, of which 17 assayed over 10 grams per tonne.

MineTech has been retained to produce an updated resource estimate for Mooseland in the second quarter of this year, which will of course include all the results from the 2011 drillings.

History

The first recorded discovery of gold bearing quartz at Mooseland was made in September, 1858 by Lieutenant C. L'Estrange while moose hunting on the Tangier River. Two years later in May, 1860, gold in a quartz boulder was found in the same area, initiating the first gold rush in Nova Scotia. The area was officially proclaimed as the Mooseland Gold District by April, 1861. Total recorded production for the district between 1863 and 1934 is 3,865.1 ounces of gold recovered from 9,058 tonnes of crushed material.



The Mooseland Gold District was discovered in 1858 by Lieutenant L'Estrange and set off the first gold rush in Nova Scotia. Image above, the Mooseland property in 1897.

Since the discovery of gold at Mooseland in 1858, the property has been explored and exploited by numerous individuals and companies. Early workers focused on trenching along the surface strike of the veins with shafts at regular intervals along each vein. More than 14 shafts on the east side of the river were mapped by Faribault on his 1899 map of the Mooseland Gold District and in excess of 22 shafts and more than 100 trenches and pits were excavated in the West Zone before the 1980s.

In more recent history, Mooseland was further explored and developed by three companies.

Between 1986 and 1988, Acadian Mineral Ventures Ltd. carried out a broad exploration program on the East and West Zones, including diamond drilling and an Induced Polarization (IP) survey, which covered 9.8 line kilometres. The drilling totaled approximately 32,700 metres in 135 holes. This drilling outlined the most promising West Zone targets, increased the understanding of the East Zone and formed the basis of later resource estimates.

As of 1988 until 1989, Hecla Mining Co. carried out site preparation including clearing land, constructing surface buildings and a 12,000 cubic metre settling pond. Later, Hecla sank a 124.9 metre deep vertical shaft with associated headframe to explore and bulk sample mineralized veins that had previously been identified by diamond drilling. However, the project was suspended before completion. The planned program of lateral development and bulk sampling was not carried out.

Finally, between 2003 and 2004, Azure Resources Corporation carried out an extensive program including diamond drilling and development of a portal and decline. The drill program had six holes (two on the East Zone and four on the West Zone) totaling 1,168 metres. Additionally, the decline was collared in the West Zone, with a plan to connect it with the Hecla shaft, and collect a 2,000-10,000 tonne bulk sample.

Due to lack of financing, the bulk sample was taken out before the planned depth had been reached, and milled before an efficient circuit could be installed in the mill. As a result, poor results were achieved from the bulk sample.

In 2010, NSGold acquired a 100% interest in Mooseland from Globex Mining for C\$750,000. Globex also received a 4% Gross Metal Royalty on the production of all metals from the property and it will receive a 5% interest in the then share capital of NSGold upon commencement of production.

2010 Drill Program

On September 7, 2010, NSGold initiated its first drill campaign at Mooseland with an objective to confirm and enhance the results of earlier drill programs executed by the joint venture between Hecla Mines and Acadian Mineral Ventures in 1988-89 and by Azure Resources in 2002-03. Another goal was to gain more knowledge of the underground on which follow-on exploration and development work could be based.

Thirteen diamond drill holes were completed on both the East and West Zone, comprising approximately 6,500 metres of drilling. In total, 169 samples assayed more than 1 gram per tonne of gold of which 35 assays exceeded 10 grams per tonne.



Drilling activities on Hole 10 - 4 on the West Zone of the Mooseland Gold Project.

All gold intercepts occurred in veins of a dark grey smoky quartz known to be the primary host for gold in the Meguma formations. Drilling consistently intercepted such veins, many of which didn't show visible gold at the point of intersection, but did contain anomalous gold values.

Most of these quartz structures have gold values roughly between 0.1 and 1.0 grams, while being accompanied by areas with much higher gold values. This is due to the so-called **nugget-effect**. These nuggety quartz structures were exactly what the Company hoped to find because they're perfectly minable at solid profit margins.

NUGGET EFFECT

A mineralization is often referred to as being nuggety, or possessing a high nugget effect, when gold is both found in fine grains and in large nuggets. As a result, the drill results from a particular zone can be extremely diverse ranging, for example, from 0.6 grams per tonne to 60 grams per tonne, dependent on where exactly the nuggets are located. This often complex and localized occurrence of gold is a common feature of many vein-style gold deposits and makes the property perfectly minable.

NI 43-101 Resource Estimate

In June of 2011, NSGold received an NI 43-101 resource estimate for Mooseland of 390,000 ounces of gold in the inferred category. This resource

estimate, which was prepared by MineTech International Inc., was based on drill core assay results from 26 holes, totaling 6,507 metres completed by NSGold in 2010; 135 diamond drill holes, totaling 32,696 metres, completed by Hecla Mining in 1986-1988; and 6 diamond drill holes, totaling 1,168 metres, completed by Azure Resources Ltd. in 2003.

Zone	Tonnes above cut-off	Grade (g/tonne)	Total Ounces Au
West	1,400,000	4.6	210,000
East	1,100,000	5.1	180,000
Total	2,500,000	4.9	390,000

The Mooseland 43-101 resource Estimate is based on drill core assay results from historic and recent drilling programs totaling 40,371 metres in 167 drill holes.

Using a cut-off grade of approximately 1 g/tonne for mineralized zone interpretation, sixty-one mineralized veins were identified. Using inverse distance weighting to calculate block grades, it was determined that eighteen veins contained blocks that exceeded the 3 g/tonne block cut-off grade that was used to identify mineral resources. Gold assays of more than 20 g/tonne were reported as a value of 20 g/tonne. This practice is known as top cutting and minimizes the impact of the "nugget effect" prevalent in this type of ore.

The resource of 390,000 ounces of gold is solid, especially knowing that MineTech used conservative criteria to reach this number:

- First of all, a cut-off grade of 3 grams per tonne was used. All assays that showed less than 3 grams per tonne were NOT taken into account. This is important because even if the price of gold were to decline, the property can still be mined profitably, unlike other mines where a 1 gram per tonne cut-off grade is used;
- Next to the cut-off grade, also a top cutting of 20 grams per tonne was applied. All assays that showed more than 20 grams per tonne were reported as a value of only 20 grams per tonne. This technique is used to minimize the impact of the nugget effect;
- And finally, as mentioned above, many veins at Mooseland are pretty narrow. So only those veins with a minimum width of 1.5 metres were included in this estimate.

Moreover, the report also showed that the West Zone is open at depth and towards the west and that the East Zone is also open at depth and towards the east.

NSGold's 2010 drill program was designed to confirm the historic data from previous owners and to get a better understanding of the property. In order to do this, all 26 holes were drilled within the parameters of known ore zones defined by earlier programs. That would of course change with NSGold's follow-up drill campaign.

2011 Drill Program

NSGold completed a new drill program at Mooseland between August 2011 and November 2011. Eight holes were drilled on both the East Zone (holes NSG-25-11* and NSG-27-11 through NSG-33-11) and West Zone (holes NSG-34-11 through NSG-41-11) of the property, totaling 5,020 metres. Most of the new holes tested promising areas of Mooseland that had only been sparsely drilled or explored in the past. To help the geologists find additional drill targets, a LiDAR survey was conducted on the property in September of 2011.

** Note that hole NSG-25-11 was a deepening of NSG-25-10 and that hole 26 isn't included in the 2011 program, because it was already drilled in the 2010 campaign.*

Fifteen out of sixteen holes intersected mineralized veins and produced a total of 135 samples that assayed more than 1 gram of gold per tonne, of which 17 assayed over 10 grams per tonne. Drill results continue to yield high grade intercepts indicative of the influence of the nugget effect on the gold values.

MineTech has again been retained to produce an updated resource estimate for Mooseland, which will of course include all the results from the 2011 drillings.

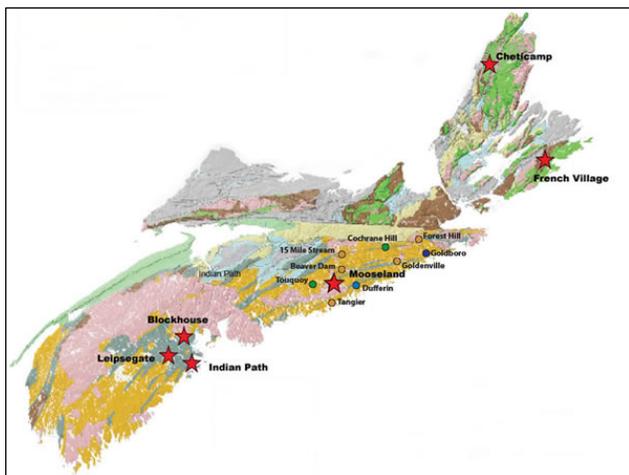
Based on these results, it's clear that the mineralized zones at Mooseland have been expanded and the property's resource estimate will be increased.

Other Properties

Next to Mooseland, NSGold also acquired a 100% interest in five other properties in Nova Scotia from Globex in April 2010. These properties are

Leipsigate, Indian Path, Blockhouse, French Village and Cheticamp. The first three are former gold-producing properties, each characterized by Meguma-type gold occurrences, while the latter two are gold and base-metal exploration properties.

In November of 2010 the Company staked 5,000 hectares known as Barney's River and James River. These areas cover the surface exposure of a Peralkaline Syenite, a coarse-grained intrusive igneous rock of the same general composition as granite. This is a rock type that has elsewhere been found to contain commercially viable Rare Earth Elements (REE's) deposits.



NSGold properties located in Nova Scotia, Canada.

Leipsigate

Like Mooseland, the Leipsigate property has a long and vivid history. It was in operation from 1884 until 1946 with a total production of 9,650 troy ounces of gold from an estimated production of 30,000 tonnes of ore. It covers an area of 2,168 hectares on 134 claims and has at least seven historic shafts, of which the deepest reaches a depth of approximately 100 metres.

The most significant feature on the property is the 9 kilometres trend known as the "Main Fissure Vein" of which only a fraction of its length has been tested.

In a November 1983 report, prepared for Coxheath Gold Holdings, labeled "Evaluation of the Leipsigate Property", the author estimated the potential mineral reserves to be 612,000 tonnes grading 13.7 to 17.1 grams of gold per tonne.

Note that the above gold reserve is historic in nature and was compiled before National Instrument 43-101

Standards of Disclosure for Mineral Projects came into effect. The reserve has not been verified by an independent "Qualified Person" and are presented for information purposes only.



Late 2010, three diamond drill holes were completed at Leipsigate which gave NSGold's geologists a better understanding of the area and a target for further exploration.

Late 2010, NSGold completed three diamond drill holes at Leipsigate, totaling 281 metres. Drill holes L-1-10 and L-2-10 had two objectives. First, to locate the Rose Lead, a structure that was explored in the late 1800s to early 1900s and from which 45 ounces of gold was extracted from just 3 tonnes of rock, making it one of the richest veins known in the area. And secondly, to find out where the Rose Lead crosses the Main Fissure Vein. The reason they're searching for the area where the two veins cross, is because there's a high chance of finding a large zone with high grade gold on that spot.

The good news is that they found the Rose Lead and that it's gold bearing. Hole L-1-10 returned a value of 10.898 grams of gold per tonne over 0.5 metres in quartz veining and hole L-2-10 intersected the same structure and returned anomalous gold values. However, they didn't find the zone where the two veins cross. The two drill holes did give the Company's geologists a better understanding of the area and the ability to project where the two veins might cross.

Drill hole L-3-10 tested the extension of the Main Fissure Vein as it was drilled approximately 1,300 metres from the nearest historic workings and 1,900 metres from the nearest previous drilling. Although no significant gold values were found, the structure was measured at 2.37 metres wide and contained abundant carbonate alteration and arsenopyrite, known indicators for gold in this area. This opens up a target for further exploration.

Indian Path

The Indian Path Gold Project totals 27 claims. Historic workings include numerous trenches and several shafts, of which the deepest one reaches a depth of approximately 70 metres. The property was used for scheelite during the Second World War, which occurs in quartz veins along with gold.

Leading Edge Geomatics (LEG) completed flying LiDAR surveys over Indian Path and Cheticamp in September of 2011. Interpretation of the surveys is pending for both properties, after which further steps can be taken based on the results.

LiDAR

LiDAR (Light Detection And Ranging) is an optical remote sensing technology that can measure the distance to a target by illuminating it with light, often using pulses from a laser. LiDAR can be applied in geomatics, archaeology, geography, geology, seismology, forestry and contour mapping.

At NSGold's properties, LiDAR is being used to determine the proper structure of the known gold bearing systems and to potentially identify additional structures for future exploration. Here, the technology allows the geophysicists to produce highly detailed topographical maps within an accuracy of up to 20 mm (0.79 inch).

Subsurface structures usually show up on the surface to some extent, and on the highly accurate LiDAR maps you can actually see the projection of these structural changes on the outcrop surface, which you typically can't see when you're walking on the ground.

LiDAR can't replace actual drilling, but it is a tool that will allow the Company's geologists to make better decisions about prospective zones, including where to drill, and like any remote sensing technology depends upon the interpretation of experts in the field to be effective.

Blockhouse

The Blockhouse Gold Project consists of 10 claims totaling 161.8 hectares. Historic workings include a 95 m shaft that provided access and production

haulage to extract ore prior to 1935. No work has been conducted on the property by NSGold so far.

French Village

The French Village Project consists of 116 mining claims located in Cape Breton County, Nova Scotia.

In the summer of 2008, the previous owner of French Village, Globex Mining, drilled 4 holes, totaling 766 metres, to test an area of historical trenching. Anomalous, but continuously wide values of gold of up to 2.16 g/tonne, was encountered by this work.

After flying a LiDAR survey, NSGold commenced a new trenching program in the fourth quarter of 2011 to test the same large gossanous structure. Results haven't been announced yet.

Cheticamp

The Cheticamp Project consists of 146 mining claims totaling 2362.2 hectares in Inverness County, Nova Scotia. This property has numerous showings of gold and base metal mineralization.

Barney's River & James River

Based on limited wide spread grab sampling, the 5,000 hectares properties have been found to contain anomalous values of Rare Earth Elements.

An initial prospecting program utilizing a portable x-ray fluorescence (XRF) analyzer has been conducted late 2011, but no results have been announced so far.

Rare Earth Elements (REE's)

The last couple of years, interest in Rare Earth Elements has peaked because these scarce materials are crucial in many consumer products and military equipment like radars, missile-guidance systems, the Abrams battle tank, etc.

Additionally, China owns more than 85 percent of the known global reserves of REE's, making the rest of the world dependent on China's exports.

This potential shortage for REE has set off a search in the U.S., Australia, Canada and South Africa for new rare earth mines.

Balance Sheet as of September 30, 2011

Since the NSX Silver spin-out no new financial results have been filed. These are expected in the second half of April. As a result, it's not possible to give an accurate picture of the Company's balance sheet at this moment.

In the table below, you can find NSGold's balance sheet as it was on September 30, 2011. The one thing we can add is that the current cash and accounts receivable position is about \$750,000.

	09/30/11
Cash and Cash Equivalents	4,917,101
Short term investments	806,000
Resource properties	3,554,570
Total Assets	9,698,777
Accounts Payable & Accrued Liabilities	839,876
Total Liabilities	1,018,781
Total Stockholder Equity	8,679,777
Most current balance sheet data for the period ending September 30, 2011. Source: Company Filings	

Sprott Private Placement

In August of 2011, certain funds managed by Sprott Asset Management subscribed for 8,627,451 shares of NSGold at a price of \$0.51 per share, for gross proceeds to NSGold of \$4.4 million.

Sprott now controls approximately 19.9% of all issued and outstanding shares of NSGold, the maximum allowed. Sprott fully subscribed in common shares instead of partly in common shares and partly in warrants, indicating that Sprott is really confident in NSGold's future as a warrant gives a holder the opportunity to wait and see how his investment develops.

Hans van Hoof, together with Sprott Asset Management, control over 45% of total shares outstanding (also see Share Data & Ownership below). Sprott is a world class shareholder for any mining company to have and the fact that he chose NSGold to invest in, says something.

Outlook & Valuation

NSGold Corp. owns a 100% interest in its most advanced project, the Mooseland gold property in Nova Scotia, Canada. NSGold's initial 2010 drill program resulted in a NI 43-101 compliant resource estimate of 390,000 ounces of gold. It's important to note that all holes were drilled within the historically defined mineralized zones and that much room was left to expand the resource.

The expansion potential of Mooseland was proven during the 2011 drill campaign as most holes, drilled in previously under explored zones, intersected mineralized veins. These results will be used to update, and undoubtedly expand, the current resource estimate. A new NI 43-101 compliant resource estimate is expected to be released in the second quarter of 2012.

The Company also owns several other blue sky projects in Nova Scotia, on which work is planned.

Moreover, NSGold has a strong management team with the right balance of financing and mining experience. Mr. van Hoof has solid connections in the financial markets and its CFO, Mr. Glenn Holmes, helped raise a quarter of a billion dollars for a previous mining company he was employed at. The \$4.4 million Sprott private placement, from August 2011, is a perfect example of how well positioned NSGold is to access the capital markets. To date, NSGold has liquid assets of about \$750,000, which is enough to further advance its properties in the coming quarters.

Furthermore, the Company has engaged two veterans in the mining industry: John Hedges, a geologist and minerals economist with over 35 years of experience in the mining industry and James Proudfoot, a mining engineer with more than 45 years experience in the mining industry.

All aspects we look for in a junior mining Company are present at NSGold Corporation. It has a strong and balanced management team with both financial and geological skills. And the current resource estimate for the Mooseland gold property, the Company's most advanced project, will be expanded in 2012 based on the solid analytic results of the 2011 drill program.

Peer Comparison

To determine the fair value of NSGold, we've taken its Enterprise Value per Resource and compared it with six other companies. These peer companies also have gold properties with an NI 43-101 compliant resource estimate.

ENTERPRISE VALUE/RESOURCE

The Enterprise Value is the dollar value you are paying per ounce of gold in the ground held by a company.

In order to calculate this, you need to determine the market capitalization of the company, subtract all financial assets like cash, cash equivalents, investments, etc. and add all debts and other amounts due. This is the Enterprise Value (EV).

In order to get the EV/Resource, you need to divide the Enterprise Value by the total resource estimate in ounces of all the company's properties as stated in NI 43-101 compliant reports.

Guyana Goldfields Inc. (TO: GUY) is an exploration stage company, engaged in the acquisition, exploration and development of gold deposits in the Guiana Shield of South America. The company owns a 100% interest in the Aurora gold project located in Guyana.

Keegan Resources Inc. (TO: KGN) is a natural resource company, engaged in the acquisition and exploration of gold deposits in West Africa. It owns the Asumura gold property and the Esaase gold project, both located in the southwestern part of Ghana.

Kimber Resources Inc. (TO: KBR) owns a 100% interest in the Monterde gold/silver property located in the Sierra Madre, Mexico. Kimber Resources has a NI 43-101 resource estimate for Monterde.

Lydian International Limited (TO: LYD) operates as a mineral exploration and development company focusing on Eastern Europe. The company's principal property is the Amulsar gold project in central Armenia.

Oromin Explorations Ltd. (TO: OLE) holds interest in the OJVG gold property located in the Republic of Senegal in West Africa; and the Santa Rosa oil and

gas property located in the Republic of Argentina in South America.

Riverstone Resources Inc. (TSX: RVS) is active in gold exploration in Burkina Faso, West Africa, where it holds a portfolio of four exploration projects covering +2,000 square kilometres.

Company	Stock Price	EV (M)	Total Au Oz (M)	EV/Resource
Guyana	5.92	452.81	6.88	65.82
Keegan	4.55	343.35	5.19	26.20
Kimber	1.07	80.17	1.73	46.30
Lydian	2.64	263.99	3.20	82.50
Oromin	0.88	114.89	3.70	71.38
Riverstone	0.66	51.60	2.70	19.11
Average				51.88
NSGold	0.18	6.84	0.39	17.56

Enterprise Value/Resource comparison. Source: Filings from each company and Smallcaps.us calculations.

Note: we used the 30-day average closing price to balance out the volatility of the stock price.

Valuation

Based on the table above it's clear NSGold is undervalued compared with its peers.

For NSGold, the market values each ounce of gold in ground at \$17.56 while it values its six peers between \$19.11 and \$82.50 per ounce. The average Enterprise Value per Resource for the six peers is 51.88 dollar per ounce, or 2.95 times higher than NSGold's.

Based on these calculations and the positive outlook for the Company, we reiterate our buy recommendation for NSGold with a price target of \$0.53 or 295% higher than today's 30-day average stock price.

Share Data & Ownership

As of November 29, 2011 NSGold Corp. had 43,553,767 common shares issued and outstanding. The fully diluted number of common shares as of March 31, 2012 is 45,513,963.

It also had 670,000 stock options outstanding with exercise prices ranging between \$0.25 and \$0.60 per option with various expiration dates.

Type of Securities	Number of Securities
Common shares	43,553,767
Options	670,000
Warrants	1,290,196
Outstanding shares, warrants and options for NSGold Corporation as of March 31, 2012.	

Additionally, the Company had 600,000 agent compensation warrants outstanding entitling the holder to acquire one common share per warrant at an exercise price of \$0.25 per share until June 18, 2012 and 690,196 broker compensation warrants entitling the holder to acquire one common share per warrant at an exercise price of \$0.51 per share until August 4, 2013.

In May of 2011, Van Hoof Industrial Holdings Ltd. (VHIH), a private Company controlled by Hans van Hoof, the Chairman and CEO of NSGold, acquired an additional 700,000 common shares through the exercise of 700,000 purchase warrants. The warrants were acquired mid-2010 in the original private placement and were exercised at C\$0.50 per share.

In total, VHIH now owns close to 11.1 million shares, or about 25.8% of the issued and outstanding common shares of NSGold. It's a big plus when the management of a company is a major shareholder, as it will try to advance the company, and its share price, while keeping dilution to a minimum.

Another major shareholder of the Company's common stock is Sprott Asset Management, which purchased 8,627,451 shares at \$0.51 per share in August of 2011. Sprott now controls approximately 19.8% of all issued and outstanding shares of NSGold, the maximum allowed.

Management

➤ Hans van Hoof - President, CEO and Chairman of the Board of Directors

Mr. van Hoof has held senior positions at various European financial institutions, including PVF Pension Funds, Paribas Capital Markets and Bankers Trust. His roles during the past 22 years include senior Portfolio Manager, senior Risk Manager, Deputy Head of global equity derivatives, Managing Director responsible for M&A arbitrage, derivatives arbitrage and venture capital investments as well as Chairman and Senior Executive Officer of Soros Funds Limited in London. In 2002, Mr. van Hoof founded VHC Partners alternative investment management group, active in hedge fund

management, corporate and project finance advisory services, private equity investments and charitable projects.

➤ Glenn Holmes - Director and CFO

Glenn Holmes has more than 23 years experience in the financial management of listed junior mining companies including equity financings, debt financings, corporate acquisitions, mining feasibility studies and financial restructurings. Mr. Holmes most recently served as Chief Financial Officer and Vice-President Finance of Etruscan Resources Inc. (TSX) where he played a lead role in securing a US\$100 million combined structured debt financing and gold hedging facility for the development of an 80,000 ounce per annum gold mine located in West Africa. Previously Mr. Holmes was Vice-President Finance and Secretary-Treasurer for NovaGold Resources Inc. (TSX). He holds a B.Comm. and is a member of the Institute of the Chartered Accountants of Nova Scotia.

➤ Grant Loon - Director

Mr. Loon has over 12 years of experience in trading and operations roles within financial institutions and alternative investment management firms. As partner and Chief Operating Officer of VHC Partners, Mr. Loon had responsibility for the establishment and oversight of the group's operations. More recently, his roles have included establishing a multi-fund operations infrastructure and risk management framework while working as COO for a Stockholm based hedge fund management company and various consultancy engagements within investment management and financial services related industries. Prior to joining VHC, Mr. Loon worked at Morgan Stanley & Co International, Commerzbank Global Equities and Soros Funds Limited.

➤ James Proudfoot - Director

Mr. Proudfoot has more than 45 years experience in the mining industry as a mining engineer and independent consultant. He has held senior production management positions with several mining companies, including Noranda Mines as a production engineer and Mine Superintendent and Chief Engineer for Anaconda America Brass Ltd at the Caribou mine. His career spans all facets of the industry from exploration through project design and construction to operations management. Mr. Proudfoot served in executive management functions with mine development contractors, as Vice President Finance of J. S. Redpath Ltd. and Manager of Mine Contracting with The Cementation Company (Canada) Limited. Mr. Proudfoot is a Qualified Person and will be responsible for any

development of a mine plan and mine design, if required, as well as providing oversight to a project management system to ensure that adequate procedures are in place and that best available technologies are applied in all the Resulting Issuer's design and construction practice, as required.

➤ **John Hedges – Senior Technical Advisor**

Mr Hedges is a geologist and minerals economist with over thirty-five years of experience in the mining

industry. He was Vice President of project finance for Westpac Banking Corporation in New York and was also a mining analyst with the Canadian Export Development Corporation where he was involved with providing project financing to a number of large copper/gold projects that were developed in the 1980s and 1990s. In recent years Mr. Hedges has been a consultant to the mining industry and has provided services to a number of listed and private companies.

NSGold corporation

TSX Venture Exchange: NSX

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