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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the quarterly period ended January 31, 2019**

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-15517



Nevada Gold & Casinos, Inc.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of Incorporation or organization)

88-0142032  
(I.R.S. Employer Identification No.)

711 Powell Ave SW  
Suite 100  
Renton, Washington  
(Address of principal executive offices)

98057  
(Zip Code)

Registrant's telephone number including area code: (702) 685-1000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for any shorter period that the registrant was required to file the reports), and (2) has been subject to those filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Emerging growth company

Accelerated filer

Non-accelerated filer

Smaller Reporting Company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 17(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.).  
 Yes  No

The number of common shares, \$0.12 par value per share, issued and outstanding, was 17,765,772 as of March 1, 2019.

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## **FORWARD-LOOKING STATEMENTS**

### **Factors that May Affect Future Results**

#### **(Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)**

Certain information included in this Form 10-Q and other materials filed or to be filed by us with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by us or our representatives) contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” or other words or expressions of similar meaning, may identify forward-looking statements. We have based these forward-looking statements on our current expectations about future events. Forward-looking statements include statements that reflect management’s beliefs, plans, objectives, goals, expectations, anticipations, intentions with respect to the financial condition, results of operations, future performance and the business of us, including statements relating to our business strategy and our current and future development plans. These statements may also involve other factors which are detailed in the “Risk Factors” and other sections of our Annual Report on Form 10-K for the year ended April 30, 2018 and other filings with the Securities and Exchange Commission.

Although we believe that the assumptions underlying these forward-looking statements are reasonable, any or all of the forward-looking statements in this report and in any other public statements that are made may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this report will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this report or other public communications that we might make as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any further disclosures made on related subjects in our subsequent reports filed with the Securities and Exchange Commission should be consulted.

**Part I. Financial Information**  
**Item 1. Financial Statements**

**Nevada Gold & Casinos, Inc.**  
**Condensed Consolidated Balance Sheets**

	<u>January 31,</u> <u>2019</u>	<u>April 30,</u> <u>2018</u>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 17,087,917	\$ 9,508,931
Restricted cash	3,218,463	2,369,063
Accounts receivable, net of allowances	670,425	345,403
Prepaid expenses	790,547	1,058,726
Inventory and other current assets	355,813	341,299
Assets held for sale	-	607,180
<b>Total current assets</b>	<u>22,123,165</u>	<u>14,230,602</u>
Real estate held for sale	750,000	750,000
Goodwill	14,092,154	14,092,154
Intangible assets, net of accumulated amortization	2,230,548	2,289,485
Property and equipment, net of accumulated depreciation	3,060,119	3,254,367
Deferred tax asset	604,012	704,044
Assets held for sale	-	13,597,772
Other assets	70,000	204,672
<b>Total assets</b>	<u>\$ 42,929,998</u>	<u>\$ 49,123,096</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 1,661,782	\$ 1,350,263
Accrued payroll and related	1,402,010	1,810,626
Accrued player's club points and progressive jackpots	2,491,328	2,273,655
Liabilities held for sale	-	902,720
<b>Total current liabilities</b>	<u>5,555,120</u>	<u>6,337,264</u>
Long-term debt	-	7,895,240
Other long-term liabilities	594,249	637,207
<b>Total liabilities</b>	<u>6,149,369</u>	<u>14,869,711</u>
<b>Stockholders' equity:</b>		
Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,743,185 and 18,715,985 shares issued and 17,765,772 and 16,848,182 shares outstanding at January 31, 2019, and April 30, 2018, respectively.	2,356,037	2,245,927
Additional paid-in capital	29,643,178	27,557,151
Retained earnings	13,975,346	13,644,239
Treasury stock, 1,867,803 shares at January 31, 2019, and April 30, 2018, at cost.	(9,193,932)	(9,193,932)
<b>Total stockholders' equity</b>	<u>36,780,629</u>	<u>34,253,385</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 42,929,998</u>	<u>\$ 49,123,096</u>

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

**Nevada Gold & Casinos, Inc.**  
**Condensed Consolidated Statements of Operations**  
(unaudited)

	Three Months Ended		Nine Months Ended	
	January 31, 2019	January 31, 2018	January 31, 2019	January 31, 2018
<b>Revenues:</b>				
Casino	\$ 11,547,379	\$ 12,551,816	\$ 35,051,766	\$ 40,009,065
Food and beverage	2,665,342	2,606,619	7,675,267	7,437,154
Other	351,656	377,115	1,071,966	1,176,126
<b>Gross revenues</b>	<b>14,564,377</b>	<b>15,535,550</b>	<b>43,798,999</b>	<b>48,622,345</b>
Less promotional allowances	-	(1,052,821)	-	(3,117,506)
<b>Net revenues</b>	<b>14,564,377</b>	<b>14,482,729</b>	<b>43,798,999</b>	<b>45,504,839</b>
<b>Expenses:</b>				
Casino	5,342,905	7,012,292	16,684,984	22,704,066
Food and beverage	2,345,769	1,358,684	6,793,978	3,892,854
Other	57,038	24,816	170,858	74,767
Marketing and administrative	4,396,277	4,234,480	13,265,222	12,951,058
Facility	430,201	456,918	1,315,761	1,338,499
Corporate	1,630,561	578,370	4,261,090	1,909,731
Depreciation and amortization	112,537	198,522	357,193	761,111
Loss (gain) on sale of assets	-	308	(34,356)	5,773
Total operating expenses	14,315,288	13,864,390	42,814,730	43,637,859
<b>Operating income</b>	<b>249,089</b>	<b>618,339</b>	<b>984,269</b>	<b>1,866,980</b>
<b>Non-operating income (expenses):</b>				
Interest income	8,438	10,749	25,313	37,424
Interest expense and amortization of loan issue costs	(132,335)	(145,280)	(340,778)	(469,615)
Change in swap fair value	(69,892)	91,986	(60,872)	133,444
<b>Income from continuing operations before income tax expense</b>	<b>55,300</b>	<b>575,794</b>	<b>607,932</b>	<b>1,568,233</b>
Income tax expense	(12,419)	(553,899)	(134,538)	(847,176)
Income from continuing operations	42,881	21,895	473,394	721,057
(Loss) income from discontinued operations, net of taxes	(163,594)	171,432	(106,862)	235,248
<b>Net (loss) income</b>	<b>\$ (120,713)</b>	<b>\$ 193,327</b>	<b>\$ 366,532</b>	<b>\$ 956,305</b>
<b>Per share information:</b>				
Income from continuing operations per common share - basic and diluted	\$ -	\$ -	\$ 0.03	\$ 0.04
(Loss) income from discontinued operations per common share - basic and diluted	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ 0.01
Net (loss) income per common share - basic	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.06
Net (loss) income per common share - diluted	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.05

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

**Nevada Gold & Casinos, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(unaudited)

	<b>Nine Months Ended</b>	
	<b>January 31, 2019</b>	<b>January 31, 2018</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 366,532	\$ 956,305
Adjustments to reconcile net income to net cash provided by operating activities:		
Income (loss) from discontinued operations	106,862	(235,248)
Depreciation and amortization	357,193	761,111
Stock compensation	35,553	79,739
Amortization of deferred loan issuance costs	104,760	72,959
Change in deferred rent	(42,958)	6,076
Change in swap fair value	60,872	(133,444)
(Gain) loss on disposal of assets	(34,356)	5,773
Changes in deferred income taxes	100,032	718,496
Changes in operating assets and liabilities:		
Receivables and other assets	112,942	(15,338)
Accounts payable and accrued liabilities	109,987	(387,653)
<b>Net cash provided by operating activities</b>	<b>1,277,419</b>	<b>1,828,776</b>
<b>Cash flows from investing activities:</b>		
Collections on notes receivable	-	347,888
Purchase of property and equipment	(171,300)	(640,444)
(Contribution to) distribution from discontinued operations	(61,669)	1,320,328
Deposit refunded	-	(3,500)
Proceeds from the sale of assets	13,143,373	2,000
<b>Net cash provided by investing activities</b>	<b>12,910,404</b>	<b>1,026,272</b>
<b>Cash flows from financing activities:</b>		
Purchase of treasury stock	-	(1,700,291)
Repayment of credit facilities	(8,000,000)	(3,700,000)
Proceeds from credit facilities	-	700,000
Interest rate swap termination	73,800	-
Stock issuance proceeds, net of issuance costs	2,154,744	-
Cash proceeds from exercise of stock options	-	14,350
<b>Net cash used in financing activities</b>	<b>(5,771,456)</b>	<b>(4,685,941)</b>
<b>Cash flows from discontinued operations:</b>		
Cash flows provided by operating activities	136,993	1,301,905
Cash flows used in investing activities	(186,643)	(119,417)
Cash flows provided by (used in) financing activities	61,669	(1,320,328)
<b>Net cash provided by (used in) discontinued operations</b>	<b>12,019</b>	<b>(137,840)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>8,428,386</b>	<b>(1,968,733)</b>
Cash, cash equivalents and restricted cash at beginning of period	11,877,994	12,626,215
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 20,306,380</b>	<b>\$ 10,657,482</b>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 186,549	\$ 401,350

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

Nevada Gold & Casinos, Inc.

Notes to Condensed Consolidated Financial Statements

**Note 1. Basis of Presentation**

The interim financial information included herein is unaudited. However, the accompanying condensed consolidated financial statements include all adjustments of a normal recurring nature which, in the opinion of management, are necessary to present fairly our condensed consolidated balance sheets at January 31, 2019 and April 30, 2018, condensed consolidated statements of operations for the three and nine months ended January 31, 2019 and 2018, and condensed consolidated statements of cash flows for the nine months ended January 31, 2019 and 2018. Although we believe the disclosures in these financial statements are adequate to make the interim information presented not misleading, certain information relating to our organization and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted in this Form 10-Q pursuant to Securities and Exchange Commission (“SEC”) rules and regulations. These financial statements should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2018 and the notes thereto included in our Annual Report on Form 10-K. The results of operations for the three and nine months ended January 31, 2019 are not necessarily indicative of the results expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an ongoing basis, we evaluate our estimates, including those related to bad debts, investments, intangible assets and goodwill, property, plant and equipment, income taxes, employment benefits and contingent liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Certain reclassifications have been made to conform prior year financial information to the current period presentation. Those reclassifications did not impact operating income, net income, working capital or stockholders’ equity. As of July 27, 2018, Club Fortune met the requirements for presentation as assets held for sale and discontinued operations under generally accepted accounting principles (see Note 13). Club Fortune was sold on December 31, 2018. Accordingly, the operations of Club Fortune have been classified as discontinued operations.

**Note 2. Significant Accounting Policies**

**Revenue Recognition**

On May 1, 2018, we adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”) using a modified retrospective approach. See Note 2, “New Accounting Pronouncements and Legislation Issued,” for a discussion of the new revenue standard and its impact on our unaudited Condensed Consolidated Financial Statements. Prior to the adoption of ASC 606, complimentary revenues pertaining to food and beverage and other were included in gross revenues and excluded from net revenues through promotional allowances in the unaudited Condensed Consolidated Statements of Operations. Subsequent to the adoption of ASC 606, complimentary revenues are included in food and beverage, and other revenues, as appropriate, in the unaudited Condensed Consolidated Statements of Operations. Complimentary other revenues, whether provided as nondiscretionary complementaries or discretionary complementaries, were as follows for continuing operations:

	Three Months Ended		Nine Months Ended	
	January 31, 2019	January 31, 2018	January 31, 2019	January 31, 2018
Food and beverage	\$ 992,595	\$ 1,012,407	\$ 2,863,087	\$ 2,991,976
Other	40,995	40,414	122,552	125,530
Total complementaries	<u>\$ 1,033,590</u>	<u>\$ 1,052,821</u>	<u>\$ 2,985,639</u>	<u>\$ 3,117,506</u>

**Fair Value**

U.S. generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels are as follows:

Level 1 – Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Other inputs that are observable directly or indirectly such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for which there is little or no market data and for which we make our own assumptions about how market participants would price the assets and liabilities.

The following describes the valuation methodologies used by us to measure fair value:

Real estate held for sale is recorded at fair value less selling costs.

Goodwill and indefinite lived intangible assets are recorded at carrying value and tested for impairment annually, or more frequently, using projections of discounted future cash flows.

Interest rate swaps are adjusted on a recurring basis pursuant to accounting standards for fair value measurements. We categorize our interest rate swap as Level 2 for fair value measurement.

### **Concentrations of Credit Risk**

Financial instruments that potentially subject us to concentrations of credit risk are primarily notes receivable, cash and cash equivalents, accounts receivable and payable, and long term debt. Management performs periodic evaluations of the collectability of these notes and accounts receivable. Our cash deposits are held with large, well-known financial institutions, and, at times, such deposits may be in excess of the federally insured limit. The recorded value of cash, accounts receivable and payable, approximate fair value based on their short term nature; the recorded value of long term debt approximates fair value as interest rates approximate current market rates.

### **New Accounting Pronouncements and Legislation Issued**

#### Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued amended accounting guidance that changes the accounting for leases and requires expanded disclosures about leasing activities. Under the new guidance, lessees will be required to recognize a right-of-use asset and a lease liability, measured on a discounted basis, at the commencement date for all leases with terms greater than twelve months. Lessor accounting will remain largely unchanged, other than certain targeted improvements intended to align lessor accounting with the lessee accounting model and with the updated revenue recognition guidance. Lessees and lessors must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The amended guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2018, and early application is permitted. The Company is currently evaluating the impact this guidance will have on its financial position and results of operations.

#### Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, which introduced a new standard related to revenue recognition, ASC 606. Under ASC 606, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the new revenue standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. In July 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers - Deferral of the Effective Date*, which deferred the implementation of ASC 606 to be effective for fiscal years beginning after December 15, 2017.

The Company adopted ASC 606 during the first quarter 2019 using the modified retrospective approach to all contracts as of the date of initial application, which was May 1, 2018. Adoption of the new revenue standard principally affected (1) how we measure the liability associated with our loyalty program and (2) the classification and, as it related to the measurement of revenues and expenses between gaming; food and beverage; and retail, and other. The modified retrospective approach required the Company to recognize the impact of adopting ASC 606 as a cumulative effect adjustment to our beginning retained earnings, which was a decrease of \$35,425 as of May 1, 2018. The cumulative effect adjustment related exclusively to re-measuring the liability associated with the loyalty program from a cost approach to an approach that reflects the estimated stand alone selling price (SSP) of the reward credits and certain tier benefits. In addition, the modified retrospective approach required the Company to provide disclosures describing the financial statement line items impacted by the new revenue standard (see below).



Prior to the adoption of ASC 606, we determined our liability for loyalty reward credits based on the estimated costs of goods and services to be provided and estimated redemption rates. Upon adoption of ASC 606, points awarded under our loyalty program constitute a material right and, as such, represent a performance obligation associated with the gaming contracts. Therefore, ASC 606 required us to allocate the revenues associated with the players' activity between gaming revenue and the estimated SSP of the reward credits.

In addition to the above, prior to the adoption of ASC 606, complimentary revenues pertaining to food and beverage and retail were included in gross revenues and excluded from net revenues through promotional allowances in the unaudited Condensed Consolidated Statements of Operations and the estimated costs of providing such complimentary goods and services were included as gaming expenses in the unaudited Condensed Consolidated Statements of Operations. However, subsequent to the adoption of ASC 606, food and beverage, and other services furnished to our guests on a complimentary basis is measured at the estimated SSP and included as revenues within food and beverage and other as appropriate, in the unaudited Condensed Consolidated Statements of Operations, with a corresponding decrease in casino revenues. Additionally, subsequent to the adoption of ASC 606, the costs of providing such complimentary goods and services is included as expenses within food and beverage and other as appropriate, in the unaudited Condensed Consolidated Statements of Operations.

The amount by which each line item in continuing operations in our unaudited Condensed Consolidated Statement of Operations for the three and nine months ended January 31, 2019 was affected by the new revenue standard as compared with the accounting guidance that was in effect before the change was as follows:

	<b>For the three months ended January 31, 2019</b>		
	<b>As Reported - With Adoption of ASC 606</b>	<b>As Adjusted - Without Adoption of ASC 606</b>	<b>Effect of Accounting Change Increase/(Decrease)</b>
<b>Revenues:</b>			
Casino	\$ 11,547,379	\$ 12,580,969	\$ (1,033,590)
Food and beverage	2,665,342	2,665,342	-
Other	351,656	351,656	-
<b>Gross revenues</b>	<b>14,564,377</b>	<b>15,597,967</b>	<b>(1,033,590)</b>
Less promotional allowances	-	(1,033,590)	1,033,590
<b>Net revenues</b>	<b>14,564,377</b>	<b>14,564,377</b>	<b>-</b>
<b>Expenses:</b>			
Casino	5,342,905	6,215,934	(873,029)
Food and beverage	2,345,769	1,503,539	842,230
Other	57,038	26,239	30,799
Marketing and administrative	4,396,277	4,396,277	-
Facility	430,201	430,201	-
Corporate	1,630,561	1,630,561	-
Depreciation and amortization	112,537	112,537	-
Total operating expenses	14,315,288	14,315,288	-
<b>Operating income</b>	<b>\$ 249,089</b>	<b>\$ 249,089</b>	<b>\$ -</b>
<b>Net income from continuing operations</b>	<b>\$ 42,881</b>	<b>\$ 42,881</b>	<b>\$ -</b>

**For the nine months ended January 31, 2019**

	<b>As Reported - With Adoption of ASC 606</b>	<b>As Adjusted - Without Adoption of ASC 606</b>	<b>Effect of Accounting Change Increase/(Decrease)</b>
<b>Revenues:</b>			
Casino	\$ 35,051,766	\$ 38,033,727	\$ (2,981,961)
Food and beverage	7,675,267	7,675,267	-
Other	1,071,966	1,071,966	-
<b>Gross revenues</b>	<b>43,798,999</b>	<b>46,780,960</b>	<b>(2,981,961)</b>
Less promotional allowances	-	(2,985,639)	2,985,639
<b>Net revenues</b>	<b>43,798,999</b>	<b>43,795,321</b>	<b>3,678</b>
<b>Expenses:</b>			
Casino	16,684,984	19,193,189	(2,508,205)
Food and beverage	6,793,978	4,375,020	2,418,958
Other	170,858	77,933	92,925
Marketing and administrative	13,265,222	13,265,222	-
Facility	1,315,761	1,315,761	-
Corporate	4,261,090	4,261,090	-
Depreciation and amortization	357,193	357,193	-
Gain on sale of assets	(34,356)	(34,356)	-
Total operating expenses	42,814,730	42,811,052	3,678
<b>Operating income</b>	<b>\$ 984,269</b>	<b>\$ 984,269</b>	<b>\$ -</b>
<b>Net income from continuing operations</b>	<b>\$ 473,394</b>	<b>\$ 473,394</b>	<b>\$ -</b>

Restricted Cash

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows - Restricted Cash (Topic 230)*, which amends the existing guidance relating to the disclosure of restricted cash and restricted cash equivalents on the statement of cash flows. The ASU requires that amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted this guidance on May 1, 2018 on a retrospective basis and the updated disclosures are reflected for the periods presented in the Condensed Consolidated Statements of Cash Flows. For the nine months ended January 31, 2018, the change in restricted cash of (\$64,537) was previously reported within net cash provided by operating activities.

A variety of proposed or otherwise potential accounting guidance is currently under study by standard-setting organizations and certain regulatory agencies. Due to the tentative and preliminary nature of such proposed accounting guidance, the Company has not yet determined the effect, if any, that the implementation of such proposed accounting guidance would have on its consolidated financial statements.

**Note 3. Restricted Cash**

As of January 31, 2019 and April 30, 2018, we maintained \$2,485,843 and \$2,369,063, respectively, in restricted cash, which consists of player-supported jackpot funds for our Washington operations. As of January 31, 2019, we also have restricted cash of \$732,620 held in escrow as required by the agreement to sell Club Fortune casino.

**Note 4. Goodwill and Intangible Assets**

In connection with our acquisitions of the Washington mini-casinos on May 12, 2009, July 23, 2010 and July 18, 2011, we have goodwill and intangible assets of \$16,322,702, net of amortization for intangible assets with finite lives. Goodwill represents the excess of the purchase price over the fair market value of net assets acquired.

The change in the carrying amount of goodwill and other intangible assets for the nine months ended January 31, 2019, is as follows:

	<b>Total</b>	<b>Goodwill</b>	<b>Other Intangibles, net</b>
Balance as of April 30, 2018	\$ 16,381,639	\$ 14,092,154	\$ 2,289,485
Write off Club Fortune registration	(43,956)	-	(43,956)
Current year amortization	(14,981)	-	(14,981)
Balance as of January 31, 2019	<u>\$ 16,322,702</u>	<u>\$ 14,092,154</u>	<u>\$ 2,230,548</u>

Goodwill and net intangibles assets by segment as of January 1, 2019, are as follows:

	<b>Total</b>	<b>Goodwill</b>	<b>Other Intangibles, net</b>
Washington	\$ 15,954,154	\$ 14,092,154	\$ 1,862,000
Corporate	368,548	-	368,548
Total	<u>\$ 16,322,702</u>	<u>\$ 14,092,154</u>	<u>\$ 2,230,548</u>

Intangible assets are generally amortized on a straight line basis over the useful lives of the assets. State gaming registration and trade names are not amortizable. A summary of intangible assets and accumulated amortization as of January 31, 2019, are as follows:

	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Customer relationships	\$ 6,753,321	\$ (6,753,321)	\$ -
Non-compete agreements	1,018,000	(1,018,000)	-
State gaming registration	368,548	-	368,548
Trade names	1,862,000	-	1,862,000
Total	<u>\$ 10,001,869</u>	<u>\$ (7,771,321)</u>	<u>\$ 2,230,548</u>

#### Note 5. Property and Equipment

Property and equipment at January 31, 2019 and April 30, 2018, consist of the following:

	<b>January 31, 2019</b>	<b>April 30, 2018</b>	<b>Estimated Service Life in Years</b>
Building and improvements	\$ 1,661,367	\$ 1,653,534	15-39
Gaming equipment	2,400,815	2,391,596	3-5
Furniture and office equipment	3,579,016	3,500,778	3-7
Land and improvements	87,750	87,750	n/a
Leasehold improvements	1,718,835	1,711,641	7-20
Construction in progress	88,539	57,916	
	<u>9,536,322</u>	<u>9,403,215</u>	
Less accumulated depreciation	(6,476,203)	(6,148,848)	
Property and equipment, net	<u>\$ 3,060,119</u>	<u>\$ 3,254,367</u>	

#### Note 6. Long-Term Debt

Our long-term financing obligations are as follows:

	<b>January 31, 2019</b>	<b>April 30, 2018</b>
\$23.0 million reducing revolving credit agreement, LIBOR plus an Applicable Margin, \$625,000 quarterly reductions beginning January 31, 2016 through November 30, 2020, and the remaining principal due on the maturity date of November 30, 2020, net of accumulated debt issuance costs of \$0 and \$104,760 at January 31, 2019 and April 30, 2018, respectively.	\$ -	\$ 7,895,240
Total long-term financing obligations	<u>\$ -</u>	<u>\$ 7,895,240</u>

On November 30, 2015, the Company amended its existing credit agreement with Mutual of Omaha Bank to increase the lending commitment to \$23 million. The Company used a portion of the proceeds from the sale of Club Fortune to pay off the outstanding principal under the Company's credit agreement with Mutual of Omaha Bank on December 31, 2018. The remaining loan issuance costs were written off and appear in Interest expense and amortization of loan issue costs in the condensed consolidated statements of operations.

#### **Note 7. Interest Rate Swap**

We were required by the Credit Facility to have a secured interest rate swap for at least 50% of the Credit Facility commitment. On December 28, 2015, the Company entered into a swap transaction with Mutual of Omaha Bank ("MOOB"), which had a calculation period as of the tenth day of each month through the maturity date of the Credit Facility. Under the terms of the swap agreement, the Company paid a fixed rate of 1.77% and a received variable rate based on one-month LIBOR as of the first day of each floating-rate calculation period. The Company terminated its rate swap as part of the December 31, 2018 loan repayment.

The Company did not designate the interest rate swap as a cash flow hedge and the interest rate swap did not qualify for hedge accounting under ASC Topic 815. Changes in our interest rate swap fair value are recorded in our condensed consolidated statements of operations. Each quarter, the Company receives fair value statements from the counterparty, MOOB. The fair value of the interest rate swap is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. To comply with the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. As a result of our evaluation and cancellation of our interest rate swap, as of January 31, 2019, we recorded a \$69,892 and \$60,872 decrease in our interest rate swap fair value for the three and nine months ended January 31, 2019. As of January 31, 2018 and April 30, 2018, our interest rate swap fair value is a \$0 and \$134,672 asset, which is included in other assets as of January 31, 2019 and April 30, 2018 on the condensed consolidated balance sheets.

#### **Note 8. Equity Transactions and Stock Option Plan**

We have obligations under our 2009 Equity Incentive Plan (the "2009 Plan"). On April 14, 2009, our shareholders approved the 2009 Plan providing for the granting of awards to our directors, officers, employees and independent contractors. The number of common stock shares reserved for issuance under the 2009 Plan is 1,750,000 shares. The 2009 Plan is administered by the Compensation Committee (the "Committee") of the Board of Directors. The Committee has complete discretion under the plan regarding the vesting and service requirements, exercise price and other conditions. Under the 2009 Plan, the Committee is authorized to grant the following types of awards:

- Stock Options including Incentive Stock Options ("ISO"),
- Options not intended to qualify as ISOs,
- Stock Appreciation Rights, and
- Restricted Stock Grants.

Our practice has been to issue new or treasury shares upon the exercise of stock options. Stock option rights granted under the 2009 Plan generally have 5 or 10 year terms and vest in two or three equal annual installments, with some options grants providing for immediate vesting for a portion of the grant.

During the quarter ended January 31, 2019, there were no stock grants or forfeitures. As of January 31, 2019, there were 38,000 unvested stock grants at a weighted average \$2.27 value per share, as well as \$71,883 of unamortized compensation cost related to stock grants, which is expected to be recognized over approximately 1.7 years.

A summary of stock option activity under our share-based payment plan for the three months ended January 31, 2019 is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at April 30, 2018	676,000	\$ 1.10		
Granted	-			
Exercised	-			
Forfeited or expired	-			
Outstanding at January 31, 2019	<u>676,000</u>	<u>\$ 1.10</u>	<u>3.5</u>	<u>\$ 923,800</u>
Exercisable at January 31, 2019	<u>676,000</u>	<u>\$ 1.10</u>	<u>3.5</u>	<u>\$ 923,800</u>
Available for grant at January 31, 2019	<u>507,611</u>			

Compensation cost for stock options granted is based on the fair value of each award, measured by applying the Black-Scholes model. As of January 31, 2019, there was no unamortized compensation cost related to stock options.

On November 29, 2018, in order to facilitate and avoid delays associated with obtaining the approvals of the Washington State Gambling Commission required in order to consummate the merger with Maverick Casinos, the Company issued and sold to Maverick Casinos 890,390 shares of its common stock representing 5.0% of the outstanding shares of common stock of the Company, in a private placement, for \$2.42 per share, the closing market price for shares of the Company's common stock on the last trading day prior to the issuance, for an aggregate purchase price of \$2,154,744, paid in cash. The shares are held in escrow pending the merger. See Note 14 Merger Agreement.

#### Treasury Stock

In July 2016, our board of directors approved a \$2.0 million stock repurchase program to purchase our common stock in the open market or in privately negotiated transactions from time to time, in compliance with Rule 10b-18 of the Securities and Exchange Act of 1934, subject to market conditions, applicable legal requirements, loan covenants and other factors. The repurchase plan does not obligate the Company to acquire any specified number or value of common stock. During the three months ended January 31, 2019, the Company did not repurchase any shares. As of January 31, 2019, \$1.7 million remains available under the share repurchase authorization.

#### Note 9. Computation of Earnings Per Share

The following is presented as a reconciliation of the numerators and denominators of basic and diluted earnings per share computations:

	Three Months Ended		Nine Months Ended	
	January 31, 2019	January 31, 2018	January 31, 2019	January 31, 2018
<b>Numerator:</b>				
Net income from continuing operations	\$ 42,881	\$ 21,895	\$ 473,394	\$ 721,057
Net (loss) income from discontinued operations	\$ (163,594)	\$ 171,432	\$ (106,862)	\$ 235,248
Net (loss) income	<u>\$ (120,713)</u>	<u>\$ 193,327</u>	<u>\$ 366,532</u>	<u>\$ 956,305</u>
<b>Denominator:</b>				
Basic weighted average number of common shares outstanding	17,485,106	16,829,581	17,060,903	17,029,822
Dilutive effect of common stock options	368,727	378,560	354,095	364,870
Diluted weighted average number of common shares outstanding	<u>17,853,833</u>	<u>17,208,141</u>	<u>17,414,998</u>	<u>17,394,692</u>
<b>Per share information:</b>				
Income from continuing operations per common share - basic and diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ 0.04</u>
(Loss) income from discontinued operations per common share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
Net (loss) income per common share - basic	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>
Net (loss) income per common share - diluted	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>

**Note 10. Commitments and Contingencies**

We are party to contracts in the ordinary course of business, including leases for real property and operating leases for equipment.

The expected remaining future annual minimum lease payments as of January 31, 2019, are as follows:

<b>Period</b>	<b>Total</b>
February 2019 - January 2020	\$ 3,239,199
February 2020 - January 2021	3,270,147
February 2021 - January 2022	2,669,607
February 2022 - January 2023	1,083,481
Thereafter	891,765
	<u>\$ 11,154,199</u>

We indemnified our officers and directors for certain events or occurrences while the director or officer is or was serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under these indemnification obligations is unlimited; however, we have a Directors and Officers Liability Insurance policy that limits our exposure and enables us to recover a portion of any future amounts paid, provided that such insurance policy provides coverage.

**Note 11. Income Taxes**

For the three months ended January 31, 2019 and 2018, our effective tax rates from continuing operations were 22% and 96%, respectively. For the nine months ended January 31, 2019 and 2018, our effective tax rates from continuing operations were 22% and 54%, respectively. The Tax Cuts and Jobs Act ("Tax Act") was enacted on December 22, 2017. The Tax Act reduces the US federal corporate tax rate from 35% to 21%. Prior year effective tax rates were affected by the revaluing of deferred items at the new rate. The difference between the federal statutory rate of 21% and the current quarter to date's effective tax rate is primarily due to nondeductible expenses.

At January 31, 2019, we have \$0.6 million in net deferred tax assets, which is primarily a result of net operating losses. We believe that it is more-likely-than-not that the deferred tax assets will be realized prior to any expiration and therefore we have not applied a valuation allowance on our deferred tax assets.

We filed income tax returns in the United States federal jurisdiction. No jurisdiction is currently examining our tax filings for any tax years. All of the Company's tax positions are considered more likely than not to be sustained upon an IRS examination.

**Note 12. Segment Reporting**

We have three business segments: (i) Washington, (ii) South Dakota and (iii) Nevada, as well as the Company's corporate location. On June 30, 2018, the Company sold its South Dakota route operations. Also, as of July 27, 2018, the Nevada reportable segment met the requirements to be classified as a discontinued operation. As a result, the operations of Nevada have been excluded from the segment reporting below. See Note 13 for information related to the Nevada segment. The Washington segment consists of the Washington mini-casinos, the South Dakota segment consisted of our slot route operation in South Dakota, and the Corporate column includes the vacant land in Colorado and its taxes and maintenance expenses, corporate-related items, results of insignificant operations, and income and expenses not allocated to other reportable segments.

Summarized financial information for our reportable segments from continuing operations is shown in the following table:

**For the Three Months Ended, January 31, 2019**

	<u>Washington</u>	<u>South Dakota</u>	<u>Corporate</u>	<u>Total</u>
Net revenues	\$ 14,564,377	\$ -	\$ -	\$ 14,564,377
Casino and food and beverage expense	7,688,674	-	-	7,688,674
Marketing, administrative and corporate	4,395,723	-	1,631,115	6,026,838
Facility and other expenses	487,239	-	-	487,239
Depreciation and amortization	107,065	-	5,472	112,537
Operating income (loss)	1,885,675	-	(1,636,586)	249,089

**For the Three Months Ended, January 31, 2018**

	<u>Washington</u>	<u>South Dakota</u>	<u>Corporate</u>	<u>Total</u>
Net revenues	\$ 13,314,264	\$ 1,168,465	\$ -	\$ 14,482,729
Casino and food and beverage expense	7,239,816	1,131,160	-	8,370,976
Marketing, administrative and corporate	4,099,481	134,999	578,370	4,812,850
Facility and other expenses	458,938	22,796	-	481,734
Depreciation and amortization	119,007	72,980	6,535	198,522
Operating income (loss)	1,396,947	(193,703)	(584,905)	618,339

**For the Nine Months Ended, January 31, 2019**

	<u>Washington</u>	<u>South Dakota</u>	<u>Corporate</u>	<u>Total</u>
Net revenues	\$ 42,970,445	\$ 828,554	\$ -	\$ 43,798,999
Casino and food and beverage expense	22,540,802	938,160	-	23,478,962
Marketing, administrative and corporate	13,133,387	131,280	4,261,645	17,526,312
Facility and other expenses	1,469,896	16,723	-	1,486,619
Depreciation and amortization	339,437	-	17,756	357,193
Operating income (loss)	5,486,149	(199,917)	(4,301,963)	984,269

**For the Nine Months Ended, January 31, 2018**

	<u>Washington</u>	<u>South Dakota</u>	<u>Corporate</u>	<u>Total</u>
Net revenues	\$ 40,263,535	\$ 5,241,304	\$ -	\$ 45,504,839
Casino and food and beverage expense	21,942,455	4,654,465	-	26,596,920
Marketing, administrative and corporate	12,582,737	368,321	1,909,731	14,860,789
Facility and other expenses	1,345,352	67,914	-	1,413,266
Depreciation and amortization	465,886	275,345	19,880	761,111
Operating income (loss)	3,921,445	(124,854)	(1,929,611)	1,866,980

Segment assets at January 31, 2019 were: Washington \$29,713,693; Corporate \$13,216,305. Segment assets at January 31, 2018 were: Washington \$27,352,824; South Dakota \$1,549,392; Corporate \$3,793,289.

**Note 13. Discontinued Operations**

On June 27, 2018, the Company entered into a definitive agreement to sell its Club Fortune casino property in Henderson, Nevada, for \$14.6 million, subject to certain adjustments, including a working capital adjustment. The property was sold on December 31, 2018.

As of July 27, 2018, Club Fortune met the requirements for presentation as assets held for sale and discontinued operation under generally accepted accounting principles. As a result of Club Fortune meeting the criteria to be classified as held for sale, the Company recorded a goodwill impairment of \$115,128 and a loss on reclassification as held for sale of \$84,872 in the first quarter of fiscal 2019 which primarily represented the estimated cost to sell Club Fortune. In the quarter ended January 31, 2019, the Company recorded a \$472,866 loss on the sale of Club Fortune. The operations of Club Fortune have been classified as discontinued operations and as assets held for sale for all periods presented.

The results of discontinued operations are summarized as follows:

	Three months ended		Nine months ended	
	January 31, 2019	January 31, 2018	January 31, 2019	January 31, 2018
Gross revenues	\$ 2,289,969	\$ 3,862,505	\$ 8,750,437	\$ 11,827,509
Less promotional allowances	-	(552,248)	-	(1,713,786)
Net revenues	2,289,969	3,310,257	8,750,437	10,113,723
Casino and food and beverage expense	1,331,637	2,027,281	5,456,195	6,111,932
Marketing and administrative	644,731	839,229	2,305,831	2,561,965
Facility and other expenses	52,544	87,968	236,513	245,878
Depreciation and amortization	-	340,385	220,531	1,087,380
Goodwill impairment	-	-	115,128	-
Loss on reclassification as held for sale	-	-	84,872	-
Loss on sale of assets	472,866	-	472,735	-
Income tax benefit	(48,215)	(156,038)	(34,506)	(128,680)
(Loss) income from discontinued operations, net of taxes	\$ (163,594)	\$ 171,432	\$ (106,862)	\$ 235,248

The assets and liabilities held for sale related to Club Fortune were as follows:

	January 31, 2019	April 30, 2018
<b>Assets:</b>		
Accounts receivable, net	\$ -	\$ 140,370
Prepaid expenses and other assets	-	377,811
Inventory	-	88,998
Goodwill	-	2,831,434
Intangible assets, net	-	1,208,294
Property and equipment, net	-	9,558,045
Total assets held for sale	\$ -	\$ 14,204,952
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ -	\$ 345,231
Accrued payroll and related	-	238,688
Accrued player's club points and progressive jackpots	-	318,801
Total liabilities held for sale	\$ -	\$ 902,720

On June 30, 2018, the Company sold its South Dakota route operations. The sale included all fixtures, equipment, trade names, and operating agreements used in connection with the business, but excluded necessary operating cash used in the business. Because this sale did not represent a strategic shift that would have a major effect on the Company's operations, the sale was recorded as a sale of assets and not as discontinued operations.



## **Note 14. Merger Agreement**

On September 18, 2018, the Company announced the signing of a merger agreement with Maverick Casinos, LLC (“Maverick”). Under the terms of the merger agreement, Maverick will acquire all of the outstanding shares of the Company’s common stock for \$2.50 per share in cash, with merger consideration automatically increasing \$0.01 per share for each full month beyond February 1, 2019. The transaction will result in the Company becoming a private company.

The transaction was approved by a majority of the shareholders of Nevada Gold at our special shareholders’ meeting on February 22, 2019 but is still subject to the approval of applicable gaming authorities. The transaction is not subject to a financing condition. The companies are contemplating extending the merger closing deadline past the initial April 15, 2019 deadline, if necessary, for an additional 90 days. The companies expect the transaction to close in the second calendar quarter of 2019.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis (“MD&A”) should be read in conjunction with our condensed consolidated financial statements and notes thereto included in Item 1 of this Quarterly Report and with Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report for the year ended April 30, 2018, filed on Form 10-K with the SEC on July 26, 2018.

### **Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements. We prepare these financial statements in conformity with GAAP. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments. On an on-going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. There have been no material changes or developments in our evaluation of the accounting estimates and the underlying assumptions or methodologies that we believe to be Critical Accounting Policies and Estimates as disclosed in our Annual Report for the year ended April 30, 2018, filed on Form 10-K with the SEC on July 26, 2018.

### **Executive Overview**

We were formed in 1977 and, since 1994, have primarily been a gaming company involved in financing, developing, owning and operating gaming properties. Our gaming facility operations are located in the United States of America (“U.S.”), specifically in Washington state and previously in Nevada. Our financial results are dependent upon the number of patrons that we attract to our properties and the amounts those guests spend per visit. Additionally, our operating results may be affected by, among other things, overall economic conditions affecting the disposable income of our guests, weather conditions affecting our properties, achieving and maintaining cost efficiencies, competitive factors, gaming tax increases and other regulatory changes, the commencement of new gaming operations and construction at existing facilities. We may experience significant fluctuations in our quarterly operating results due to seasonality, variations in gaming hold percentages and other factors. Consequently, our operating results for any quarter or year are not necessarily comparable and may not be indicative of future periods’ results.

### *Items Impacting Income from Continuing Operations*

*Discontinued Operations* - As of July 27, 2018, Club Fortune met the requirements for presentation as assets held for sale and discontinued operation under generally accepted accounting principles. Accordingly, the operations of Club Fortune have been classified as discontinued operations and as assets held for sale for all periods presented. The Club Fortune sale closed on December 31, 2018.

## **COMPARISON OF THE THREE MONTHS ENDED JANUARY 31, 2019 AND JANUARY 31, 2018**

**Net revenues.** Net revenues were \$14.6 million for the three months ended January 31, 2019, and \$14.5 million for the same period ended January 31, 2018. The \$0.1 million increase is primarily due to a \$1.3 million increase in casino revenue at our Washington properties as a result of a higher hold percentage and increased poker revenues, partially offset by a \$1.2 million decrease in casino revenue at our South Dakota operations because it was sold June 30, 2018.

**Total operating expenses.** Total operating expenses were \$14.3 million for the three months ended January 31, 2019, compared to \$13.9 million for the same period ended January 31, 2018. Excluding South Dakota and comparing before the impact of the revenue recognition changes (see Note 2), total operating expenses increased by \$1.8 million for this quarter compared to prior year’s quarter ended January 31. Casino expenses increased \$0.3 million due to the increased minimum wage and gaming taxes associated with increased revenue at our Washington properties. Food and beverage expenses in Washington increased by \$0.1 million primarily due to the minimum wage increase. Marketing and administrative expenses increased \$0.3 million due to increased marketing and promotions at our Washington properties. Corporate expenses increased \$1.1 million primarily due to sale related professional fees. Excluding South Dakota, depreciation and amortization, facility and other remained steady when compared to the same period last year.

**Non-operating income (expense).** Total non-operating expense increased \$0.2 million for the three months ended January 31, 2019, compared to the same period ended January 31, 2018, primarily due to the losses associated with the early retirement of debt.

**Income taxes.** For the three months ended January 31, 2019 and 2018, our effective tax rates were 22% and 96%, respectively. The difference between the current and prior year's quarterly federal effective tax rate is because last year's statutory rate was 34% until the Tax Cuts and Jobs Act was enacted December 22, 2017. Prior year effective tax rates were affected by the revaluing of deferred items at the new rate.

#### **COMPARISON OF THE NINE MONTHS ENDED JANUARY 31, 2019 AND JANUARY 31, 2018**

**Net revenues.** Net revenues were \$43.8 million for the nine months ended January 31, 2019, and \$45.5 million for the same period ended January 31, 2018. The \$1.7 million decrease is primarily due to a \$4.4 million decrease in casino revenue at our South Dakota operations because it was sold June 30, 2018, partially offset by a \$2.5 million combined increase from table games hold percentage and poker revenues and a \$0.2 million increase in food and beverage revenue at our Washington properties.

**Total operating expenses.** Total operating expenses were \$42.8 million for the nine months ended January 31, 2019, compared to \$43.6 million in the same period ended January 31, 2018. Excluding South Dakota and comparing before the impact of the revenue recognition changes (see Note 2), total operating expenses increased by \$3.5 million when compared to the same period last year. Casino expenses increased \$0.2 million primarily due to the increased taxes associated with increased revenue at our Washington properties. Food and beverage expenses increased \$0.5 million due to minimum wage and an increase in cost of goods sold associated with Washington's \$0.2 million increase in food and beverage revenue. Marketing and administrative expenses increased \$0.6 million due to increased marketing and promotions at our Washington properties. Corporate expense increased \$2.4 million primarily due to sale related professional fees. Excluding South Dakota, depreciation and amortization decreased by \$0.1 million as certain Washington customer relationship intangibles are now fully amortized. Facility and other expenses remained relatively steady when compared to the same period last year.

**Non-operating income (expense).** Total non-operating expense increased \$0.1 million for the nine months ended January 31, 2019, compared to the same period ended October 31, 2018, primarily due to the losses associated with the early retirement of debt.

**Income taxes.** For the nine months ended January 31, 2019 and 2018, our effective tax rates were 22% and 54%, respectively. The difference between the current and prior year's effective tax rate is because last year's statutory rate was 34% until the Tax Cuts and Jobs Act was enacted December 22, 2017. Prior year effective tax rates were affected by the revaluing of deferred items at the new rate.

#### **Non-GAAP Financial Measures**

The term "adjusted EBITDA" is used by us in presentations, quarterly earnings calls, and other instances as appropriate. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation and amortization, change in swap fair value, goodwill and other long-lived asset impairment charges, write-offs of project development costs, acquisition costs, sale related expenses, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, amortization of deferred rent, net income or loss from assets held for sale, and net losses/gains from asset dispositions. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lenders, and it is also frequently used by securities analysts, investors, and other interested parties, in addition to and not in lieu of GAAP results, to compare to the performance of other companies that also publicize this information.

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income as an indicator of our operating performance or any other measure of performance derived in accordance with GAAP.

The following tables show adjusted EBITDA from continuing operations by operating unit:

For the three months ended:	Adjusted EBITDA			
	Washington	South Dakota	Corporate	Total
January 31, 2019	\$ 1,985,307	\$ -	\$ (676,316)	\$ 1,308,990
January 31, 2018	\$ 1,528,114	\$ (120,490)	\$ (569,857)	\$ 837,767

For the nine months ended:	Adjusted EBITDA			
	Washington	South Dakota	Corporate	Total
January 31, 2019	\$ 5,793,417	\$ (257,609)	\$ (2,092,004)	\$ 3,443,804
January 31, 2018	\$ 4,407,456	\$ 150,604	\$ (1,838,381)	\$ 2,719,679

Net income reconciliation to Adjusted EBITDA from continuing operations:

	For the three months ended	
	January 31, 2019	January 31, 2018
Net income from continuing operations	\$ 42,881	\$ 21,895
Adjustments:		
Net interest expense and change in swap fair value	193,789	42,545
Income tax expense	12,419	553,899
Depreciation and amortization	112,537	198,522
Sale related expenses	946,286	-
Loss on sale of assets	-	308
Stock compensation	10,781	12,570
Amortization of deferred rent	(9,703)	8,028
Adjusted EBITDA from continuing operations	\$ 1,308,990	\$ 837,767

	For the nine months ended	
	January 31, 2019	January 31, 2018
Net income from continuing operations	\$ 473,394	\$ 721,057
Adjustments:		
Net interest expense and change in swap fair value	376,337	298,747
Income tax expense	134,538	847,176
Depreciation and amortization	357,193	761,111
Sale related expenses	2,144,103	-
(Gain) loss on sale of assets	(34,356)	5,773
Stock compensation	35,553	79,739
Amortization of deferred rent	(42,958)	6,076
Adjusted EBITDA from continuing operations	\$ 3,443,804	\$ 2,719,679

Adjusted EBITDA from discontinued operations was \$262,517 and \$357,969 for the three months ended January 31, 2019 and 2018, respectively, and \$757,738 and \$1,203,646 for the nine months ended January 31, 2019 and 2018, respectively.

## Liquidity and Capital Resources

### Historical Cash Flows

The following table sets forth our consolidated net cash provided by (used in) operating, investing and financing activities for continuing operations for the nine months ended January 31, 2019 and 2018:

	Nine Months Ended	
	January 31, 2019	January 31, 2018
<b>Net cash provided by (used in):</b>		
Operating activities	\$ 1,277,419	\$ 1,828,776
Investing activities	\$ 12,910,404	\$ 1,026,272
Financing activities	\$ (5,771,456)	\$ (4,685,941)

**Operating activities.** Net cash provided by operating activities during the nine months ended January 31, 2019, decreased by \$0.6 million over the comparable period in the prior fiscal year. The decrease primarily resulted from sale related expenses included in corporate expenses in the Condensed Consolidated Statement of Operations, partially offset by increased operating cash flow from our Washington properties.

**Investing activities.** Net cash provided from investing activities during the nine months ended January 31, 2019, increased by \$11.9 million compared to the prior fiscal year primarily due to the \$13.1 million of proceeds from the sale of Club Fortune, partially offset by a decrease in the distributions from Club Fortune during the period.

**Financing activities.** Net cash used in financing activities during the nine months ended January 31, 2019, increased \$1.1 million compared to the prior fiscal year. The increase mainly resulted from the \$8.0 million repayment of the credit facility during the period, partially offset by \$2.2 million of stock issuance proceeds, and prior year's \$1.7 million purchase of treasury stock and \$3.0 million net repayment of credit facilities.

### Future Sources and Uses of Cash

We expect that our future liquidity and capital requirements will be affected by cash flow from operations and working capital requirements.

In July 2016, our board of directors approved a \$2.0 million stock repurchase program to purchase our common stock in the open market or in privately negotiated transactions from time to time, subject to market conditions, applicable legal requirements, loan covenants and other factors. The repurchase plan does not obligate the Company to acquire any specified number or value of common stock. On July 12, 2017, the board of directors authorized an additional \$2.0 million for future stock purchases, either in the open market or in private transactions. During the nine months ended January 31, 2019, the Company did not repurchase any shares. As of January 31, 2019, \$1.7 million remains available under the share repurchase authorization.

The Company used a portion of the proceeds from the sale of Club Fortune to pay off the outstanding principal under the Company's credit agreement with Mutual of Omaha Bank on December 31, 2018.

On January 31, 2019, excluding restricted cash of \$3,218,463, we had cash and cash equivalents of \$17,087,917. The restricted cash consists of funds for player supported jackpots for our Washington operations and cash held in escrow as required by the agreement to sell Club Fortune casino.

Washington state increased the state minimum wage from \$11.50 in the prior year to \$12.00 per hour effective January 1, 2019. The minimum wage is scheduled to increase to \$13.50 in 2020 and would thereafter be indexed to inflation. We estimate the January increase could impact our Washington payroll expense by \$0.5 million annually before offsetting changes planned to mitigate the impact of the minimum wage increase.

Our condensed consolidated financial statements have been prepared assuming that we will have adequate availability of cash resources to satisfy our liabilities in the normal course of business. We have made arrangements to ensure that we have sufficient working capital to fund our obligations as they come due. We believe that funds from operations will provide sufficient working capital for us to meet our obligations as they come due; however, there can be no assurance that we will be successful. Should cash resources not be sufficient to meet our current obligations as they come due and acquire operations that generate positive cash flow, we would be required to curtail our activities and maintain, or grow, at a pace that cash resources could support.

### Off-Balance Sheet Arrangements

None.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

#### **Item 4. Controls and Procedures**

**Disclosure controls and procedures.** We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit to the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms, and that information is accumulated and communicated to our management, including our President and Chief Financial Officer (“CFO”), as appropriate to allow timely decisions regarding required disclosure.

In accordance with Rules 13a-15 and 15d-15 of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of management, including our President and CFO, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. As a result of our evaluation, we concluded that our disclosure controls and procedures were effective as of January 31, 2019.

**Changes in internal controls over financial reporting.** There have not been any changes in our control over financial reporting during the three months ended January 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **Part II. Other Information**

##### **Item 1. Legal Proceedings**

Six putative class action complaints have been filed in connection with the proposed Merger: (i) on December 4, 2018, Cindy Fuller filed a lawsuit captioned Cindy Fuller, individually and on behalf of all others similarly situated, against the Company and members of the Board of Directors in the United States District Court for the Southern District of New York; (ii) on December 6, 2018, William Kikendall filed a lawsuit captioned William Kikendall, on behalf of himself and all others similarly situated, v. Nevada Gold & Casinos, Inc., et al., Case No. 2:18-cv-2323 No., against the Company and members of the Board of Directors in the United States District Court for the District of Nevada; (iii) on December 7, 2018, George Assad filed a lawsuit captioned George Assad, on behalf of himself and all others similarly situated, v. Nevada Gold & Casinos, Inc., et al., Case No. A-18-785749-C, against the Company and members of the Board of Directors in the District Court of the State of Nevada in Clark County, Nevada (the “Assad State Action”); (iv) on December 13, 2018, Joseph Conlon filed a lawsuit captioned Joseph Conlon v. Nevada Gold & Casinos, Inc., et al., Case No. A-18-785991-C, against the Company and members of the Board of Directors in the District Court of the State of Nevada in Clark County, Nevada; (v) on January 3, 2019, Peter D’Arcy filed a lawsuit captioned Peter D’Arcy, on behalf of himself and all others similarly situated, v. Nevada Gold & Casinos, Inc., et al., Case No. 2:19-cv-00025-GMN-CWH, against the Company and members of the Board of Directors in the United States District Court for the District of Nevada – Las Vegas Division; and (vi) on January 3, 2019, George Assad filed a lawsuit captioned George Assad, individually and on behalf of all others similarly situated, v. Nevada Gold & Casinos, Inc., et al., Case No. A 2:19-cv-00026-JCM-CWH, against the Company and members of the Board of Directors in the United States District Court for the District of Nevada.

In general, the complaints assert claims against the Company and the Board of Directors alleging, among other things, that the defendants failed to make adequate disclosures in the preliminary proxy statement filed by the Company with the SEC on December 3, 2018, in connection with the proposed Merger, either in violation of the Exchange Act or in violation of fiduciary duties owed by the Company’s directors and/or the Company to the Company’s stockholders. The Assad State Action also alleges that the members of the Board of Directors breached their fiduciary duties to the plaintiff and the other public stockholders of the Company in approving the Merger Agreement and that the Company aided and abetted such breaches of the fiduciary duties of the members of the Board of Directors. All six actions seek, among other relief, to enjoin the Merger (or, in the alternative, an award of rescissory damages in the event that the Merger is completed), and an award for the costs of the actions, including attorneys’ and expert fees.

On February 14, 2019 the Company entered into a settlement agreement with all of the plaintiffs in full satisfaction of the claims upon payment of \$ 250,000.

##### **Item 1A. Risk Factors**

There have been no material changes in our risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended April 30, 2018, filed with the SEC on July 26, 2018.

##### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

##### **Item 3. Defaults Upon Senior Securities**

None.

##### **Item 4. Mine Safety Disclosures**

Not applicable.

##### **Item 5. Other Information**

None.

**Item 6. Exhibits**

See the Index to Exhibits following the signature page hereto for a list of the exhibits filed pursuant to Item 601 of Regulation S-K

**INDEX TO EXHIBITS**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
<a href="#"><u>10.1</u></a>	<a href="#"><u>First Amendment to Asset Purchase Agreement between Colorado Grande Enterprises, Inc., as seller, and G Investments, LLC, as purchaser (filed previously as Exhibits 10.1 to the Company's Form 8-K filed May 29, 2012).</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Credit Agreement dated December 10, 2013 by and among Mutual of Omaha Bank, as the Lender, Nevada Gold &amp; Casinos, Inc., as parent, and Restricted Subsidiaries, as borrower (filed previously as Exhibits 10.9 to the Company's Form 10-Q filed December 23, 2013).</u></a>
<a href="#"><u>10.3</u></a>	<a href="#"><u>Amended and Restated Credit Agreement dated November 30, 2015 by and among Mutual of Omaha Bank, as the Lender, Nevada Gold &amp; Casinos, Inc., as parent, and Restricted Subsidiaries, as borrower (filed previously as Exhibit 10.1 to the Company's Form 8-K filed December 3, 2015).</u></a>
<a href="#"><u>10.4</u></a>	<a href="#"><u>Asset Purchase Agreement between Gaming Ventures of Las Vegas, Inc., as seller, and Nevada Gold &amp; Casinos LV, LLC, as buyer (filed previously as Exhibit 10.1 to the Company's Form 8-K filed May 22, 2015).</u></a>
<a href="#"><u>10.5</u></a>	<a href="#"><u>First Amendment to Option Agreement dated April 22, 2016 between the Company and Clear Creek Development Company (filed previously as Exhibit 10.2 to the Company's Form 8-K filed April 25, 2016).</u></a>
<a href="#"><u>10.6</u></a>	<a href="#"><u>Asset Purchase Agreement dated May 23, 2018, between A.G. Trucano, Son and Grandsons, Inc., as seller, and Michael J. Trucano, as buyer (filed previously as Exhibit 10.1 to the Company's Form 8-K filed May 23, 2018).</u></a>
<a href="#"><u>10.7</u></a>	<a href="#"><u>Asset Purchase Agreement dated June 26, 2018, between Nevada Gold &amp; Casinos LV, LLC, as seller, and Truckee Gaming, LLC, as buyer (filed previously as Exhibit 10.13 to the Company's Form 10-K filed July 26, 2018).</u></a>
<a href="#"><u>10.8</u></a>	<a href="#"><u>Agreement and Plan of Merger dated September 18, 2018, with Maverick Casinos LLC and Maverick Casinos Merger Sub, Inc. and Nevada Gold &amp; Casinos, Inc. (filed previously as Exhibit 2.1 to the Company's Form 8-K filed September 18, 2018).</u></a>
<a href="#"><u>10.9</u></a>	<a href="#"><u>Amendment No. 1 to Agreement and Plan of Merger by and among Maverick Casinos, LLC and Nevada Gold &amp; Casinos, Inc. (filed previously as Exhibits 2.1 to the Company's form 8-K filed November 30, 2018).</u></a>
<a href="#"><u>31.1(*)</u></a>	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>31.2(*)</u></a>	<a href="#"><u>Certification of Principal Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>32.1(*)</u></a>	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>32.2(*)</u></a>	<a href="#"><u>Certification Principal Financial and Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS(*)	XBRL Instance Document
101.SCH(*)	XBRL Taxonomy Schema
101.CAL(*)	XBRL Taxonomy Calculation Linkbase
101.DEF(*)	XBRL Taxonomy Definition Linkbase
101.LAB(*)	XBRL Taxonomy Label Linkbase
101.PRE(*)	XBRL Taxonomy Presentation Linkbase

\* Filed herewith.

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 18, 2019

**Nevada Gold & Casinos, Inc.**

By: /s/ James D. Meier

James D. Meier

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael P Shaunnessy, certify that:

1. I have reviewed this Form 10-Q of Nevada Gold & Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2019

/s/ Michael P. Shaunnessy

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Michael P. Shaunnessy  
Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James D. Meier, certify that:

1. I have reviewed this Form 10-Q of Nevada Gold & Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2019

/s/ James D. Meier

James D. Meier  
Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICERS  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Nevada Gold & Casinos, Inc. (the "Company") on Form 10-Q for the quarterly period ended January 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael P. Shaunnessy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Michael P. Shaunnessy

Michael P. Shaunnessy

Chief Executive Officer

(Principal Executive Officer)

March 18, 2019

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**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Nevada Gold & Casinos, Inc. (the "Company") on Form 10-Q for the quarterly period ended January 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James D. Meier, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ James D. Meier  
James D. Meier  
Chief Financial Officer  
(Principal Financial Officer)  
March 18, 2019

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