



Unaudited Condensed Consolidated Interim Financial Statements of

## **NxGold Ltd.**

For the three months ended March 31, 2020 and 2019

(Expressed in Canadian dollars)

**NXGOLD LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed In Canadian Dollars)

	Note	March 31, 2020	December 31, 2019
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 1,417,705	\$ 1,622,938
Restricted cash		60,000	60,000
Accounts receivable and prepaid expenses		33,308	22,186
Marketable securities	4	302,174	467,251
		<b>1,813,187</b>	<b>2,172,375</b>
<b>Non-Current</b>			
Property and equipment	5	-	143,790
<b>TOTAL ASSETS</b>		<b>\$ 1,813,187</b>	<b>\$ 2,316,165</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 119,766	\$ 107,765
Current lease liability	7	-	32,860
		<b>119,766</b>	<b>140,625</b>
<b>Non-current</b>			
Long-term lease liability	7	-	71,755
<b>TOTAL LIABILITIES</b>		<b>\$ 119,766</b>	<b>\$ 212,380</b>
<b>EQUITY</b>			
Share capital	8	17,512,567	17,512,567
Reserves	8	2,583,853	2,592,546
Accumulated other comprehensive income		171,435	336,512
Deficit		(18,574,434)	(18,337,840)
<b>TOTAL EQUITY</b>		<b>1,693,421</b>	<b>2,103,785</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 1,813,187</b>	<b>\$ 2,316,165</b>

Nature of business (Note 1)

The accompanying notes are an integral part of the condensed consolidated interim financial statements  
These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on  
May 8, 2020

“Leigh Curyer”  
Leigh Curyer, Director

“Trevor Thiele”  
Trevor Thiele, Director

**NXGOLD LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian Dollars)  
For the three months ended March 31

	Note	2020	2019
<b>General and administrative costs (recovery)</b>			
Share-based payments (recovery)	8	\$ (8,693)	\$ 102,450
Salaries and director fees	13	197,695	218,209
Professional fees		13,100	87,156
Investor relations		1,240	13,753
Public company costs		6,669	16,174
Office and other		10,133	20,086
Travel		3,825	24,243
Depreciation expense		10,462	10,461
<b>Total general and administrative costs</b>		<b>(234,431)</b>	<b>(492,532)</b>
Property holding costs		(3,078)	-
Foreign exchange loss		(771)	(577)
Interest income		6,243	7,650
Interest expense		(1,278)	(1,600)
Other expenses	7	(10,779)	-
Other income	7	7,500	-
<b>Loss</b>		<b>(236,594)</b>	<b>(487,059)</b>
Unrealized gain (loss) on marketable securities	4	(165,077)	(69,947)
<b>Comprehensive loss</b>		<b>\$ (401,671)</b>	<b>\$ (557,006)</b>
<b>Loss per common share – basic and diluted</b>		<b>\$ -</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>81,632,286</b>	<b>81,632,286</b>

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

**NXGOLD LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited - Expressed In Canadian Dollars)

	Notes	Common shares			Accumulated other comprehensive income	Accumulated deficit	Total
		Shares	Amount	Reserves			
			\$	\$	\$	\$	\$
<b>Balance, January 1, 2019</b>		81,632,286	17,512,567	2,286,943	543,557	(7,935,974)	12,407,093
Share-based compensation	8	-	-	115,639	-	-	115,639
Unrealized loss on marketable securities	4	-	-	-	(69,947)	-	(69,947)
Net loss		-	-	-	-	(487,059)	(487,059)
<b>Balance, March 31, 2019</b>		<b>81,632,286</b>	<b>17,512,567</b>	<b>2,402,582</b>	<b>473,610</b>	<b>(8,423,033)</b>	<b>11,965,726</b>
<b>Balance, January 1, 2020</b>		81,632,286	17,512,567	2,592,546	336,512	(18,337,840)	2,103,785
Share-based compensation	8	-	-	(8,693)	-	-	(8,693)
Unrealized loss on marketable securities	4	-	-	-	(165,077)	-	(165,077)
Net loss		-	-	-	-	(236,594)	(236,594)
<b>Balance, March 31, 2020</b>		<b>81,632,286</b>	<b>17,512,567</b>	<b>2,583,853</b>	<b>171,435</b>	<b>(18,574,434)</b>	<b>1,693,421</b>

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

**NXGOLD LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed In Canadian Dollars)  
For the three months ended March 31

	2020	2019
<b>Cash flows from (used in) operating activities</b>		
Loss for the period	\$ (236,594)	\$ (487,059)
Items not involving cash:		
Share-based payments (forfeitures)	(8,693)	102,450
Depreciation expense	10,462	10,461
Interest expense	1,278	1,600
Other (Income) expenses	10,779	-
Changes in non-cash working capital		
Accounts receivable	(11,122)	12,654
Accounts payable and accrued liabilities	12,000	44,406
	<b>\$ (221,890)</b>	<b>\$ (315,488)</b>
<b>Cash flows provided by (used in) investing activities</b>		
Proceeds on sale of equipment	\$ 25,000	\$ -
Additions to exploration and evaluation assets	-	(83,158)
	<b>\$ 25,000</b>	<b>\$ (83,158)</b>
<b>Cash flows provided used in financing activities</b>		
Lease payments	\$ (8,343)	\$ (7,576)
	<b>\$ (8,343)</b>	<b>\$ (7,576)</b>
<b>Change in cash</b>	<b>\$ (205,233)</b>	<b>\$ (406,222)</b>
Cash, beginning of year	1,622,938	3,087,663
<b>Cash, end of period</b>	<b>\$ 1,417,705</b>	<b>\$ 2,681,441</b>

**Supplemental cash flow information (Note 10)**

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

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Audited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

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**1. NATURE OF BUSINESS**

NxGold Ltd. (the “**Company**” or “**NxGold**”) was incorporated under the *Business Corporations Act* (British Columbia) on April 26, 2004. The Company’s registered and records office is located on the 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5. The Company is engaged in acquiring and exploring early-stage mineral resource properties.

The Company is currently exploring mineral properties. During the three months ended March 31, 2020, the Company had a net loss of \$236,594 and working capital of \$1,693,421 as at March 31, 2020. The Company believes that it will have sufficient capital to operate over the next 12 months, however additional funding will be necessary to complete its earn in options on projects and fund other exploration activities.

The Company has one 100% owned subsidiary, NxGold Australia Pty. Ltd. (“**NxGold Australia**”), which was incorporated in Australia on December 18, 2017. NxGold Australia owns 100% of Roe Gold Limited (“**RGL**”).

On December 1, 2019, NxGold and Mega Uranium Ltd. (“**Mega**”) executed an arm’s length binding term sheet (“**Term Sheet**”) which set out the principal terms upon which it was proposed that NxGold would effect a change of business from a Tier 2 Mining Issuer to a Tier 2 uranium-focused Investment Issuer and acquire a portfolio of securities (the “**Investment Portfolio**”) from Mega for approximately \$10.865 million, payable in shares of NxGold (the “**Transaction**”).

On March 16, 2020, due to adverse market conditions, the parties mutually agreed not to proceed with the Transaction.

During March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate our business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations cannot be reasonably estimated at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position and cash flows in 2020.

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“**IFRS**”) appropriate for a going concern which assumes that the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

**2. BASIS OF PRESENTATION**

**Statement of Compliance**

These condensed consolidated interim financial statements for the three months ended March 31, 2020, including comparatives, have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting. They do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the audited financial statements for the fiscal year ended and as at December 31, 2019.

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Audited - Expressed in Canadian Dollars)  
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**2. BASIS OF PRESENTATION (continued)**

**Basis of Presentation**

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts (“\$”). These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

**Critical Accounting Judgments, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements are set out in Note 2 to the audited financial statements for the fiscal year ended December 31, 2019 and have been consistently followed in preparation of these condensed consolidated interim financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the fiscal year ended December 31, 2019 and have been consistently followed in preparation of these condensed consolidated interim financial statements.

**4. MARKETABLE SECURITIES**

Marketable securities consist of 279,791 common shares of NexGen Energy Ltd. (“NexGen”), a corporation with several common directors and officers, the common shares of which are listed on the Toronto Stock Exchange and NYSE American LLC. The carrying value is based on the estimated fair value of NexGen common shares and determined using published closing prices. The cost was \$130,764.

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Opening	<b>\$ 467,251</b>	\$ 674,296
Unrealized gain (loss)	<b>(165,077)</b>	(207,045)
Closing	<b>\$ 302,174</b>	\$ 467,251

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Audited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

**5. PROPERTY AND EQUIPMENT**

	Computing Equipment	Equipment	Right-of- use asset	Leasehold improvements	Total
<b>Cost</b>					
<b>Balance, December 31, 2018</b>	3,809	56,210	-	15,557	75,576
Asset recognized on adoption of IFRS 16	-	-	130,002	-	130,002
<b>Balance, December 31, 2019</b>	<b>3,809</b>	<b>56,210</b>	<b>130,002</b>	<b>15,557</b>	<b>205,578</b>
Disposals	(3,809)	(48,910)	-	-	(52,719)
Termination of lease	-	-	(130,002)	(15,557)	(145,559)
Write-downs	-	(7,300)	-	-	(7,300)
<b>Balance, March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>					
<b>Balance, December 31, 2018</b>	\$ 2,681	\$ 16,386	\$ -	\$ -	\$ 19,067
Depreciation	621	9,121	29,454	3,525	42,721
<b>Balance, December 31, 2019</b>	<b>\$ 3,302</b>	<b>\$ 25,507</b>	<b>\$ 29,454</b>	<b>\$ 3,525</b>	<b>\$ 61,788</b>
Depreciation	507	1,709	7,364	881	10,461
Disposals	(3,809)	(23,040)	-	-	(26,849)
Termination of lease	-	-	(36,818)	(4,406)	(41,224)
Write-downs	-	(4,176)	-	-	(4,176)
<b>Balance, March 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net book Value:</b>					
Balance, December 31, 2019	\$ 507	\$ 30,703	\$ 100,548	\$ 12,032	\$ 143,790
<b>Balance, March 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

During the three months ended March 31, 2020, the Company disposed of computing equipment and equipment with a net book value of \$25,870, for proceeds of \$25,000. The resultant loss of \$870 has been included in Other Expenses in the Statement of Loss.

During the three months ended March 31, 2020, the Company terminated its office lease which resulted in the de-recognition of the right-of-use asset (net book value \$93,184) and leasehold improvements (net book value \$11,151) offset by the de-recognition of the lease liability of \$97,550 leading to a loss of \$6,785 (note 7).

The remaining equipment with a net book value of \$3,124 was written off in the three months ended March 31, 2020.



**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Audited - Expressed in Canadian Dollars)  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

**6. EXPLORATION AND EVALUATION**

In the three months ended March 31, 2020, the Company incurred costs of \$3,078 related to maintaining its property interests which was expensed in the Statement of Loss. In prior years, these costs were capitalized in exploration and evaluation assets, which were subsequently impaired as discussed below.

The exploration and evaluation assets at December 31, 2019 were comprised of the following:

	Kuulu	Mt. Roe	Total
<b>Acquisition costs:</b>			
Balance, December 31, 2018	\$ 135,160	\$ 6,871,980	\$ 7,007,140
Additions	-	25,968	25,968
Total acquisition costs incurred	135,160	6,897,948	7,033,108
<b>Deferred exploration costs:</b>			
<b>Balance, December 31, 2018</b>	978,845	628,125	1,606,970
Additions:			
Trenching	-	12,374	12,374
Land management	13,841	24,133	37,974
Geochemistry	-	18,155	18,155
Geophysical	-	3,185	3,185
Travel and camp	14,045	21,057	35,102
Salaries	9,564	125,287	134,851
Share-based payments	1,228	16,086	17,314
Reclamation	50,000	-	50,000
General exploration	(2,731)	70,412	67,681
<b>Deferred exploration for the year ended December 31, 2019</b>	85,947	290,689	376,636
<b>Total deferred exploration costs incurred</b>	1,064,792	918,814	1,983,606
<b>Impairment (a)</b>	(1,199,952)	(7,816,762)	(9,016,714)
<b>Total exploration and evaluation assets:</b>			
<b>Balance, December 31, 2019</b>	\$ -	\$ -	\$ -

**(a) Impairment of exploration and evaluation assets**

On December 1, 2019, the Company executed the Term Sheet which sets out the principle terms upon which it was proposed that NxGold would effect a change of business from a Tier 2 Mining Issuer to a Tier 2 uranium-focused Investment Issuer pursuant to the Transaction. This resulted in a decision to impair the exploration and evaluation assets in the quarter ended December 31, 2019.

As at March 31, 2020, the Company still holds an 80% interest in the Mt. Roe project and has the right to acquire up to 70% interest in the Kuulu property.

**7. LEASE LIABILITY**

	March 31, 2020	December 31, 2019
Opening	\$ 104,615	\$ -
Lease liability recognized on adoption of IFRS 16 on January 1, 2019	-	130,002
Interest expense	1,278	5,941
Payments	(8,343)	(31,328)
Lease liability, December 31, 2019	97,550	104,615
Less adjustment on termination of the lease	(97,550)	-
Less Current portion	-	(32,860)
Long-term lease liability	\$ -	\$ 71,755

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Audited - Expressed in Canadian Dollars)  
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**7. LEASE LIABILITY**

On January 1, 2019 the Company adopted IFRS 16 – *Leases* retrospectively with the cumulative effect on initially applying the standard recognized at the date of initial application.

The lease was for an office space lease that extended to May 31, 2023. The discount rate applied to the lease was 5%. See Note 5 for information related to the leased asset. In addition to the lease payments the Company paid approximately \$23,700 annually related to operating costs and realty taxes of the leased office space. This amount was reassessed annually based on actual costs incurred.

The Company had a Facilities and Shared Services Agreement (“NxGold Agreement”) with IsoEnergy Ltd. (“**IsoEnergy**”), a related company. IsoEnergy effectively sub-leased approximately 50% of its space to NxGold in exchange for \$2,781 per month. The NxGold Agreement was terminated by the Company with effect from March 31, 2020 resulting in the elimination of the lease liability, the right of use asset and related leasehold improvements and a charge of \$6,785 included in Other Expenses on the Statement of Loss.

NxGold sub-leased approximately 50% of its space and earned rental income of \$7,500 in the three months ended March 31, 2020.

**8. SHARE CAPITAL**

The Company’s authorized share capital is an unlimited number of common shares without par value. All issued common shares are fully paid.

**Common Shares**

There were no shares issued in the three months ended March 31, 2020 and the year ended December 31, 2019.

**Warrants**

As at March 31, 2020 the Company had the following warrants outstanding:

Expiry date	Exercise price	Number of warrants	Remaining life at March 31, 2020 (years)
15-Oct-20	\$0.07	2,000,000	0.5
15-Oct-20	\$0.05	4,890,000	0.5
28-Jul-20	\$0.05	3,500,000	0.3
15-Jun-21	\$0.27	23,725,143	1.2
14-Jun-21	\$0.18	1,186,356	1.2
Balance, March 31, 2020	\$0.20	35,301,499	1.0

Below is a summary of changes to the warrants:

	March 31, 2020		December 31, 2019	
	Number	Weighed average exercise price	Number	Weighed average exercise price
Outstanding, beginning of the year	36,359,499	\$ 0.21	46,706,699	\$ 0.27
Expired	(1,058,000)	\$ 0.50	(10,347,200)	\$ 0.49
Outstanding, end of the period	35,301,499	\$ 0.20	36,359,499	\$ 0.21

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**8. SHARE CAPITAL (continued)**

**Stock Options**

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, entitling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

There were no stock options granted, exercised, forfeited or cancelled in the year ended December 31, 2019. In the three months ended March 31, 2020, 264,000 stock options were forfeited. In addition, the expiry date of 1,236,000 options was accelerated to June 15, 2020. As at March 31, 2020, the Company had stock options outstanding and exercisable as follows:

<b>Number of options outstanding</b>	<b>Exercise price per option</b>	<b>Number of options exercisable</b>	<b>Exercise price per option</b>	<b>Remaining contractual life (years)</b>	<b>Expiry date</b>
1,700,000	\$ 0.52	1,700,000	\$ 0.52	1.8	February 1, 2022
700,000	\$ 0.52	700,000	\$ 0.52	0.2	June 15, 2020
250,000	\$ 0.45	250,000	\$ 0.45	2.1	April 25, 2022
3,400,000	\$ 0.20	2,278,000	\$ 0.20	3.4	August 8, 2023
536,000	\$ 0.20	536,000	\$ 0.20	0.2	June 15, 2020
<b>6,586,000</b>	<b>\$ 0.33</b>	<b>5,464,000</b>	<b>\$ 0.35</b>		

The options granted vest one-third annually with 34% vesting immediately. The Company uses the Black-Scholes option pricing model to calculate the fair value of granted stock options. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates.

The Company has share-based compensation related to options that vested or forfeited in the period. Share-based compensation in the three months ended March 31, is as follows:

	<b>2020</b>	<b>2019</b>
Capitalized to explorations and evaluation assets	\$ -	\$ 13,189
Expensed to the statement of loss and comprehensive loss	<b>32,118</b>	102,450
Forfeited	<b>(40,811)</b>	-
	<b>\$ (8,693)</b>	\$ 115,639

**9. MANAGEMENT OF CAPITAL**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and marketable securities.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

**NXGOLD LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**9. MANAGEMENT OF CAPITAL (continued)**

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

**10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

There was no cash paid for income tax in the three months ended March 31, 2020 and 2019. Non-cash transactions in the three months ended March 31, 2020 and 2019 were:

- a) Share-based payments capitalized to exploration and evaluation assets of \$nil (March 31, 2019 - \$13,189).
- b) The initial recognition of the lease liability of \$130,002 on January 1, 2019 and related lease asset addition were non-cash items (see Note 5 and 7).

**11. SEGMENTED INFORMATION**

The Company has one operating segment in two geographic areas in Canada and Australia, and with the corporate office in Canada. Segmented disclosure and Company-wide information is as follows:

<b>March 31, 2020</b>	<b>Canada</b>	<b>Australia</b>	<b>Total</b>
Total assets	\$ 1,799,519	\$ 13,668	\$ 1,813,187
Total liabilities	\$ 119,766	\$ -	\$ 119,76
<b>December 31, 2019</b>	<b>Canada</b>	<b>Australia</b>	<b>Total</b>
Total assets	\$ 2,299,920	\$ 16,245	\$ 2,316,165
Total liabilities	\$ 212,380	\$ -	\$ 212,380

**12. FINANCIAL INSTRUMENTS**

The Company's financial instruments include cash, amounts receivable, marketable securities, and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies regarding their management are discussed below. Management monitors these risk exposures to ensure appropriate measures are implemented in a timely and effective manner.

**Fair value**

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of input described in the following hierarchy:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The Company's financial instrument recorded at fair value consist of cash, restricted cash and marketable securities and are measured based on Level 1 inputs.

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**12. FINANCIAL INSTRUMENTS (continued)**

The book value of accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the short-term nature.

**Financial risk management objectives and policies**

**Interest rate risk** - The Company is not exposed to significant interest rate risk.

**Currency risk** - Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company is exposed to foreign currency exchange risk on cash held in AUD dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Management considers currency risk to be insignificant.

**Credit risk** - Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with Canadian banks that are believed to be creditworthy. Amounts receivable is comprised primarily of amounts due from the Government of Canada. The Company does not believe it is exposed to significant credit risk.

**Liquidity risk** - Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages its liquidity by continuously monitoring and forecasting cash flows from operations and anticipating any investing and financing activities.

**13. RELATED PARTY DISCLOSURES**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel is summarized as follows:

<b>Three months ended March 31, 2020</b>	<b>Short term compensation</b>	<b>Share-based compensation</b>	<b>Total</b>
Expensed in the statement of loss and comprehensive loss	\$ 174,338	\$ 31,353	\$ 205,691
<b>Three months ended March 31, 2019</b>	<b>Short term compensation</b>	<b>Share-based compensation</b>	<b>Total</b>
Expensed in the statement of loss and comprehensive loss	\$ 202,283	\$ 86,218	\$ 288,501
Capitalized to exploration and evaluation assets	31,498	6,807	38,305
	\$ 233,781	\$ 93,025	\$ 326,806

As at March 31, 2020 there was \$42,500 (December 31, 2019 – \$nil) included in accounts payable and accrued liabilities owing to directors and officers for compensation.

The Company shared office space and administrative expenses with IsoEnergy Ltd. ("IsoEnergy"), a Company with officers and directors in common. During the three months ended March 31, 2020, office lease and administrative expenditures billed to NxGold amounted to \$26,533 (2019: \$26,533). As at March 31, 2020, the Company owes \$nil to IsoEnergy (December 31, 2019: \$8,844).