



NxGold to Acquire High-Grade Mountain Lake Uranium Project from IsoEnergy

VANCOUVER, B.C. July 16, 2020 – **NxGold Ltd.** (“**NxGold**” or the “**Company**”), (TSXV: **NXN**) is pleased to announce that it has entered into an option agreement with IsoEnergy Ltd. (“**IsoEnergy**”) (TSXV: **ISO**) to acquire a 100% interest in the Mountain Lake uranium project in Nunavut, Canada, subject to relevant regulatory approvals (the “**Option Agreement**”).

NxGold President and CEO, Philip Williams commented; “With this acquisition NxGold has taken another solid step into the uranium sector by adding a high-grade uranium project in Canada, with strong upside potential. The team at IsoEnergy completed an extensive review of the data from previous operators and has left us with a turnkey exploration plan including geophysics, resampling core and ultimately drilling.”

Terms of the Option Agreement

Under the terms of the Option Agreement, NxGold has the option to acquire a 100% interest in the Mountain Lake uranium project in consideration for the issuance of 900,000 common shares at the 5-day volume weighted average price of the common shares (the “**Market Price**”) following the business day that the TSXV provides conditional approval of the Option Agreement and payment of \$20,000 cash to IsoEnergy. The option is exercisable at NxGold’s election on or before the second anniversary of closing, for additional consideration of \$1,000,000 payable in cash or shares at the Market Price prior to the exercise date and reimbursement of certain expenditures. If NxGold elects to acquire the Mountain Lake property, IsoEnergy will be entitled to receive the following contingency payments, payable in cash or shares:

- If the uranium spot price reaches USD\$50, IsoEnergy will receive \$410,000
- If the uranium spot price reaches USD\$75, IsoEnergy will receive \$615,000
- If the uranium spot price reaches USD\$100, IsoEnergy will receive \$820,000

The spot price contingent payments will expire 10 years following the date the option is exercised.

In the event the contingency payment has been paid by NXG following the uranium spot price reaching USD\$50, IsoEnergy will have the one-time option to elect to receive \$205,000 in lieu of, and not in addition to, each of the USD\$75 and USD\$100 contingent payments for a total aggregate amount of \$410,000. Payable at NxGold’s option in cash or shares at the Market Price prior to the date NxGold receives notice of the election by IsoEnergy.

Further IsoEnergy has the one-time right, exercisable on either the date that is six (6) months or twelve (12) months following the date of the Option Agreement, to force NxGold to exercise the option and satisfy the remaining portion of the purchase price by issuing such number of NxGold shares to IsoEnergy that results in IsoEnergy, together with the NxGold shares already owned by IsoEnergy, owning an aggregate number of NxGold shares equal to 9.9% of the total number of issued and outstanding NxGold Shares after giving effect to such issuance.

All securities issued in connection with the Option Agreement are subject to a restricted period of four months and one day from the date of issuance. Under TSX Venture Exchange policies, IsoEnergy and NxGold are considered non arms-length parties as the companies have certain common directors. As a consequence, common directors Messrs. Leigh Curyer and Trevor Thiele abstained from voting.

The Mountain Lake Uranium Project

The Mountain Lake uranium project consists of 5,625 hectares. Uranium mineralization is hosted within sandstone and dips shallowly from the top of the bedrock down to approximately 180 metres below surface.

Discovered in 1976, the property area was the subject of intense exploration during the 1970s and 1980's, when Acquitaine Company of Canada and Esso Resources Canada completed 190 drill holes totalling approximately 22,000 m on the project area. Pitchstone Exploration Ltd. (Pitchstone) and Triex Minerals Corp. (Triex) carried out additional exploration during the period 2005-2008, including the completion of 30 drill holes in the area, 15 of which were located within or immediately adjacent to the Mountain Lake deposit itself.

Uranium mineralization at Mountain Lake is hosted within sandstone of the mid-Proterozoic Dismal Lakes Group within the Hornby Bay Basin. The deposit is a shallow-dipping (5-10 degrees) tabular zone of strata-bound mineralization that extends from the top of the bedrock (10-30 metres below surface) down to approximately 180 metres below surface at its deepest point. Overall, the mineralization covers an area measuring 1,300 metres long and up to 320 metres wide. The thickness ranges from 1.0 to 6.5 metres. High grade mineralization is locally present, with drill intersections returning up to 5.19% U₃O₈ over 0.9 metres.

Historical Mineral Resource

The Mountain Lake property contains a historical inferred mineral resource estimate of 8.2 million pounds U₃O₈ with an average grade of 0.23% U₃O₈ contained in 1.6 million tonnes of mineralization. The estimate was reported in the technical report entitled "Mountain Lake Property, Nunavut" prepared for Triex Minerals Corp. and Pitchstone Exploration Ltd. and dated February 15, 2005. This resource is a historical estimate and a qualified person has not done sufficient work to classify the historical estimate as current mineral resources. As a result, the historical estimate is not being treated as a current mineral resource. However, the Company believes that the historical estimate is relevant and reliable, as it was prepared by a Qualified Person (as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects) with significant experience on the project, using methods that were standard in the industry. In order to upgrade or verify the historical estimate as current mineral resources, the Company anticipates that it will need to incorporate the drilling data collected by Triex and Pitchstone in 2006-2008. The historical resource uses the "inferred mineral resource" category set out in section 1.2 of National Instrument 43-101. There are no more recent estimates available to the Company.

The historical estimate was prepared with the polygonal method using only intervals greater than 0.1% U₃O₈ with a vertical thickness of at least 1.0 metre. Polygon sides were determined by drawing lines perpendicular to, and one half the distance to each adjacent drill hole. Estimated uranium was then obtained by multiplying the polygon areas by their thickness, a specific gravity of 2.5, and the grade of the drill hole interval. The mineral resource was classified as inferred.

Qualified Person Statement

The scientific and technical information contained in this news release was prepared by Peter Mullens (FAusIMM), NxGold's VP Business Development, who is a "Qualified Person" (as defined in NI 43-101 – *Standards of Disclosure for Mineral Projects*). Mr. Mullens has verified the data disclosed.

About NxGold

NxGold is a Vancouver-based exploration company. The Company recently entered into options agreements with Mega Uranium Ltd. (TSX: MGA) to acquire a 100% interest in the Ben Lomond and Georgetown uranium projects in Australia, and IsoEnergy Ltd. (TSXV: ISO) to acquire a 100% interest in the Mountain Lake uranium project in Nunavut, Canada. In addition, the Company owns 80% of the Mt. Roe gold project located in the Pilbara region of Western Australia and has entered into an earn-in agreement with Meliadine Gold Ltd. to earn up to a 70% interest in the Kuulu Project (formerly known as the Peter Lake Gold Project) in Nunavut.

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding “Forward-Looking” Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to activities, events or developments that the Company expects or anticipates will or may occur in the future including whether the proposed acquisition will be completed. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Such forward-looking information and statements are based on numerous assumptions, including among others, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking information and statements also involve known and unknown risks and uncertainties and other factors, which may cause actual events or results in future periods to differ materially from any projections of future events or results expressed or implied by such forward-looking information or statements, including, among others: negative operating cash flow and dependence on third party financing, uncertainty of additional financing, no known mineral reserves or resources, reliance on key management and other personnel, potential downturns in economic conditions, actual results of exploration activities being different than anticipated, changes in exploration programs based upon results, and risks generally associated with the mineral exploration industry, environmental risks, changes in laws and regulations, community relations and delays in obtaining governmental or other approvals.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.