A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of Alberta, British Columbia and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as defined herein) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

PRELIMINARY PROSPECTUS

Initial Public Offering June 23, 2020

NEW FOUND GOLD CORP.

Minimum $15,000,000 / ● Common Shares

Maximum $25,000,000 / ● Common Shares

This prospectus (the "**Prospectus**") qualifies an offering (the "**Offering**") of a minimum of ● and a maximum of ● common shares (the "**Shares**") of New Found Gold Corp. ("**NFG**" or the "**Company**") at a price of $● per Share to the public for minimum gross proceeds of $15,000,000 and maximum gross proceeds of $25,000,000. The Offering is being made pursuant to the terms of an agency agreement dated ●, 2020 (the "**Agency Agreement**") among the Company and Canaccord Genuity Corp. ("**Canaccord**") and BMO Nesbitt Burns Inc. as co-lead agents (together, the "**Co-lead Agents**"), and Desjardins Securities Inc. (collectively with the Co-lead Agents, the "**Agents**").

$● per Share

	Price to the Public[1]	Agents' Fee[2][3]	Net Proceeds to the Company[4][5]
Per Share	$●	$●	$●
Total (Minimum Offering)	$15,000,000	$810,000	$14,190,000
Total Maximum Offering	$25,000,000	$1,410,000	$23,590,000

Notes:

(1) The price of the Shares to be issued pursuant to the Offering has been determined by negotiation between the Company and the Agents.

(2) Pursuant to the terms and conditions of the Agency Agreement, the Agents will receive a cash fee (the "**Commission**") equal to the sum of (i) 6.0% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agents' Option (as defined below)), other than the gross proceeds raised from sales to "president's list" purchasers in the amount of up to $3,000,000 (such sales, the "**President's List Sales**"), and (ii) 3.0% of the gross proceeds raised from the President's List Sales, payable in cash from the proceeds of the sale of the Shares. The above table assumes $3,000,000 is raised from President's List Sales. The Agents will also receive, as additional compensation, non-transferrable broker warrants (the "**Broker Warrants**") to purchase that number of Shares that is equal to 6.0% of the Shares sold pursuant to the Offering (including any Agents' Option Shares (as defined herein) sold pursuant to the exercise of the Agents' Option), but excluding the Shares sold pursuant to President's List Sales. In connection with the President's List Sales, the Agents will receive Broker Warrants to purchase that number of Shares that is equal to 3.0% of the Shares sold pursuant to the President's List Sales. Each Broker Warrant is exercisable to purchase one Share at a price of $● for a period of 12 months from Closing. This Prospectus also qualifies the grant of the Broker Warrants and the Shares issuable upon exercise of the Broker Warrants. See "*Plan of Distribution*".

(3) In addition, the Company shall pay Canaccord a cash advisory fee equal to $240,000 at Closing.

(4) After deducting the Commission, but before deducting the expenses of the Offering, which will be paid from the proceeds of the Offering.

(5) The Agents have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Agents, for a period of 30 days from and including the Closing Date (as defined herein), to purchase an additional number of Shares equal to 15% of the Shares sold pursuant to the Offering (the "**Agents' Option Shares**") at a price of $● per Agents' Option Share to cover the Agents' over-allocation position, if any, and for market stabilization purposes (the "**Agents' Option**"). If the maximum number of Shares are sold pursuant to the Offering and the Agents' Option is exercised in full, the total "Price to the Public", "Agents' Fee" and "Net Proceeds to the Company" will be $28,750,000, $1,635,000 and $27,115,000, respectively (assuming $3,000,000 is raised from President's List Sales). If the minimum amount of Shares are sold pursuant to the Offering and the Agents' Option is exercised in full, the total "Price to the Public", "Agents' Fee" and "Net Proceeds to the Company" will be $17,250,000, $945,000 and $16,305,000, respectively (assuming $3,000,000 is raised from President's List Sales). This Prospectus qualifies the distribution of the Agents' Option and the Agents' Option Shares. A purchaser who acquires Agents' Option Shares forming part of the Agents' over-allotment position acquires those Agents' Option Shares under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Agents' Option or secondary market purchases. See "*Plan of Distribution*".

There is currently no market through which the Shares may be sold and purchasers may not be able to resell Shares purchased under this Prospectus. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares, and the extent of issuer regulation. See "*Risk Factors*".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the U.S. (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the Shares is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider certain risk factors in connection with an investment in the Company. See "*Statement Regarding Forward-Looking Information*" and "*Risk Factors*".

The following table sets out the maximum and minimum number of securities under options issuable to the Agents in connection with the Offering:

Agents' Position	Maximum Size or Number of Securities Available	Minimum Size or Number of Securities Available	Exercise Period	Exercise Price
Agents' Option(1)	● Agents' Option Shares	● Agents' Option Shares	30 days from the Closing Date	$ ● per Share
Broker Warrants	● Shares	● Shares	12 months from Closing	$ ● per Share
Total securities under option issuable to the Agents	● Shares	● Shares		

Notes:

(1) This Prospectus also qualifies the distribution of the Agents' Option and Agents' Option Shares. See "*Plan of Distribution*".

(2) This Prospectus also qualifies the distribution of the Broker Warrants and the Shares issuable to the Agents upon exercise of the Broker Warrants. See "*Plan of Distribution*".

The Offering is not underwritten or guaranteed by any person or agent. The price of the Shares was determined by negotiation between the Company and the Agents. The Agents hereby conditionally offer the Shares on to the public in the provinces of Alberta, British Columbia and Ontario on a best efforts basis, subject to prior sale, if, as and when issued and sold by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal and tax matters on behalf of the Company by Blake, Cassels & Graydon LLP and on behalf of the Agents by Stikeman Elliott LLP.

After a reasonable effort has been made to sell all of the Shares at the price stated above, the Agents may offer the Shares at a price lower than that stated above. Any such reduction will not affect the net proceeds to be received by the Company under the Offering. See "*Plan of Distribution*".

Subscriptions for the Shares will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. It is expected that closing of the Offering (the "**Closing**") will take place on or about ●, 2020, or such other date as the Company and the Agents may agree, but in any event, on or before the date that is not later than 90 days after the date of the receipt for this Prospectus (the date on which Closing occurs being the "**Closing Date**").

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian company that acquires Shares.

Prospective investors should rely only on the information contained in this Prospectus. Neither the Agents nor the Company have authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Subject to applicable laws and in connection with the Offering, the Agents may effect transactions which stabilize or maintain the market price of the Shares of the Company at levels other than those which otherwise might prevail on the open market. See "*Plan of Distribution*".

Collin Kettell, Executive Chairman and a director of the Company, and Dr. Quinton Hennigh, director of the Company, reside outside of Canada and have appointed Blakes Vancouver Services Inc. as agent for service of process at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company is neither a "connected issuer" nor a "related issuer" of the Agents as defined in National Instrument 33-105—*Underwriting Conflicts*.

The Company's head office is located at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6, and its registered office is located at Suite 2600, 595 Burrard Street, Suite 2600, Vancouver, British Columbia V7X 1L3.

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GLOSSARY

In this Prospectus, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this Prospectus.

"**Annual MD&A**" means management's discussion and analysis of the Company for the year ended December 31, 2019 and the year ended December 31, 2018.

"**Articles**" means the Articles of Incorporation of the Company.

"**Audit Committee"** means the Audit Committee of the Board.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" means the board of directors of the Company.

"**CEO**" means the Chief Executive Officer of the Company.

"**CFO**" means the Chief Financial Officer of the Company.

"**CIM Council**" means the council of the Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Definition Standards**" means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101.

"**Closing**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Closing Date**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Common Shares**" means the common shares in the capital of NFG as currently constituted.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Escrow Agent**" has the meaning ascribed to such term under "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Exploration Program**" has the meaning ascribed to such term under "*Queensway Project – Recommendations*".

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

"**Interim MD&A**" means management's discussion and analysis of the Company for the three-month period ended on March 31**,** 2020, contained in this Prospectus.

"**IT**" has the meaning ascribed to such term under "*Risk Factors – Risks Related to the Company – Failures of information systems or information security threats can be costly*".

"**MD&A**" means collectively, the Annual MD&A and the Interim MD&A of the Company contained in this Prospectus.

"**NEO**" has the meaning ascribed to such term under "*Director and Executive Compensation*"

"**NGOs**" has the meaning ascribed to such term under "*Risk Factors – Risks Related to the Company – Social and environmental activism can negatively impact exploration, development and mining activities*".

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**Shares**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Offering**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Option**" means an option to purchase a Common Share issued pursuant to the Stock Option Plan.

"**Option Holder**" has the meaning ascribed to such term under "*Options to Purchase Securities – Stock Option Plan*".

"**Order**" has the meaning ascribed to such term under "*Directors and Executive Officers – Cease Trade Orders, Bankruptcies.*

"**Queensway Project**" means the Company's Queensway Project located in Newfoundland, Canada.

"**Queensway Technical Report**" means the report entitled "Technical Report on the Queensway Gold Project, Newfoundland, Canada" with an effective date of June 20, 2020, prepared by Dawn Evans-Lamswood, M.Sc., P.Geo of DEL Exploration in accordance with NI 43-101.

"**Qualifying Jurisdictions**" means each of the provinces of British Columbia, Alberta, and Ontario.

"**Qualified Person**" means a "qualified person" as defined in NI 43-101.

"**RDSP**" means a "registered disability savings plan", as defined in the Tax Act.

"**Registered Plan**" means a TFSA, RRSP, RRIF, RDSP or RESP.

"**Regulations**" means the regulations promulgated under the Tax Act.

"**RESP**" means a "registered education savings plan" as defined in the Tax Act.

"**RRIF**" means a "registered retirement income fund" as defined in the Tax Act.

"**RRSP**" means a "registered retirement savings plan" as defined in the Tax Act.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Stock Option Plan**" means the amended and restated stock option plan of the Company as approved by the Company's shareholders on June 17, 2020, as amended from time to time.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**TFSA**" means a "tax-free savings account" as defined in the Tax Act.

"**TSXV**" means the TSX Venture Exchange.

"**United States or U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. Securities Act**" has the meaning ascribed to such term on the cover page of this Prospectus.

ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not, and the Agents have not, authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or any sale of the Shares. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The Company and the Agents are not offering to sell the Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside the Qualifying Jurisdictions, none of the Company or the Agents have done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the Qualifying Jurisdictions. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

The information contained on the Company's website is not intended to be included in or incorporated by reference into this Prospectus and investors should not rely on such information when deciding whether or not to invest in the Shares.

Any graphs, tables or other information demonstrating the historical performance or current or historical attributes of the Company or any other entity contained in this Prospectus are intended only to illustrate historical performance or current or historical attributes of the Company or such entities and are not necessarily indicative of future performance of the Company or such entities.

This Prospectus includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, "NFG" or the "Company" refers to New Found Gold Corp. as constituted on the date of this Prospectus. Where the context requires, all references in this Prospectus to the "Offering" include the Agent's Option and all references in this Prospectus to "Shares" include the additional Common Shares that may be issued pursuant to the exercise of the Agent's Option.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the timing and closing of the Offering, including the receipt for this Prospectus, in a timely manner, of regulatory and other required approvals;
- the listing of the Common Shares on the TSXV, including the Company fulfilling all applicable listing requirements;
- the size of the Offering and the terms and conditions of the Offering;

- the Queensway Project (as such term is defined herein) and the Company's planned and future exploration on the Queensway Project and its other mineral properties;
- the Company's goals regarding exploration and potential development of its projects;
- the use of available funds;
- the Company's future business plans;
- expectations regarding the ability to raise further capital;
- the market price of gold;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to retain and/or maintain any required permits, licenses or other necessary approvals for the exploration or development of its mineral properties;
- government regulation of mineral exploration and development operations in the Provinces of Newfoundland and Labrador and Ontario;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants;
- plans regarding future composition of the Board;
- effects of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic; and
- the Escrow Agreement, and the escrow of the Escrowed Securities (as such terms are defined herein).

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, assumptions about:

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company's mineral properties;
- future prices of gold and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and price of gold;
- that general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Queensway Project as described in the Queensway Technical Report (as such term is defined herein);
- the accuracy of budgeted exploration and development costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets;
- expectations regarding the level of disruption to exploration at the Queensway Project as a result of COVID 19; and
- availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- the Company may fail to find a commercially viable deposit at any of its mineral properties;
- there are no resources or mineral reserves on any of the properties in which the Company has an interest;
- the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;

- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- fluctuations in the demand for gold;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company's operations may be adversely affected by First Nations land claims;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- the Company's future profitability may depend upon the world market prices of gold;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Shares and an active and liquid one may never develop, which could impact the liquidity of the Shares;
- the Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Shares;
- the Company may not use the funds available to it in the manner described in this Prospectus;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change; and
- other factors discussed under "*Risk Factors*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See "*Risk Factors*" for a discussion of certain factors investors should carefully consider before deciding to invest in the Shares.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Queensway Project contained in this Prospectus is derived from, and in some instances is a direct extract from, and is based on the assumptions, qualifications and procedures set out in, the Queensway Technical Report. Dawn Evans-Lamswood, M.Sc. P.Geo. of DEL Exploration, author of the Queensway Technical Report, has reviewed and approved the scientific and technical information relating to the Queensway Project contained in this Prospectus and is a Qualified Person and "independent" of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Queensway Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

THIRD PARTY INFORMATION

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, none of the Company or the Agents has independently verified any of the data from third party sources referred to in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Company and the Agents do not make any representation as to the accuracy or completeness of such information.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Collin Kettell, Executive Chairman and a director of the Company, and Dr. Quinton Hennigh, a director of the Company, reside outside of Canada and have appointed Blakes Vancouver Services Inc. as agent for service of process at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agents in connection with the Offering will be incorporated by reference into the (final) prospectus to which this Prospectus relates. However, any such "template version" of "marketing materials" will not form part of the (final) prospectus to the extent that the contents of the "template version" of "marketing materials" are modified or superseded by a statement contained in the (final) prospectus. Any "template version" of "marketing materials" filed under the Company's profile on SEDAR after the date of the (final) prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any "template version" of any "marketing materials") will be deemed to be incorporated into the (final) prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, legal counsel to the Company, and Stikeman Elliott LLP, legal counsel to the Agents, based on the current provisions of the Tax Act and the Regulations, provided that the Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the TSXV) at the relevant time, the Shares will be "qualified investments" under the Tax Act and the Regulations for a trust governed by an RRSP, RRIF, TFSA, RESP, "deferred profit sharing plan" or RDSP.

Notwithstanding that the Shares may be qualified investments for a Registered Plan, if the Shares are a "prohibited investment" within the meaning of the Tax Act for the Registered Plan, the annuitant, holder, or subscriber of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Shares will generally not be a prohibited investment for a Registered Plan if the annuitant, holder or subscriber, as the case may be (a) deals at arm's length with the Company for the purposes of the Tax Act, and (b) does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Shares will not be a prohibited investment if the Shares are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for a Registered Plan.

Prospective purchasers who intend to invest through a Registered Plan should consult their own tax advisers with respect to whether Shares would be a prohibited investment having regard to their particular circumstances.

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its financial statements in Canadian dollars. The financial statements of the Company as at December 31, 2018 and December 31, 2019 and for the periods then ended have been prepared in accordance with IFRS, and the financial statements of the Company as at March 31, 2020 for the three-month period then ended have been prepared in accordance with IAS No. 34, Interim Financial Reporting of IFRS. Certain financial information set out in this Prospectus is derived from such financial statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information, financial statements and MD&A contained elsewhere in this Prospectus. This summary does not contain all of the information a potential investor should consider before investing in the Shares. Please refer to the "Glossary" for a list of defined terms used herein.

THE COMPANY

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada. The Company's principal objective is to explore and develop the Queensway Project**,** which is located near Gander, Newfoundland, and to identify other properties worthy of investment and exploration. For the purpose of NI 43-101, the Queensway Project is the Company's only material property.

Queensway Project

The Queensway Project is comprised of 86 mineral licenses, including 6,041 claims comprising 151,030 hectares of land located near Gander, Newfoundland. The Company acquired the rights to the Queensway Project by map staking mineral licenses and making a series of staged payments in cash and Common Shares from 2016 through 2019 under nine separate option agreements. Eight of the option agreements have been fully exercised resulting in 100% ownership by NFG of the mineral licenses related to such option agreements and one option agreement remains active. Completion of the requirements under the one remaining option agreement would result in NFG obtaining 100% ownership of the Queensway Project.

The optioned lands comprising the Queensway Project carry various net smelter return ("**NSR**") royalties ranging from 0.6% to 2.5% which can be reduced to ranging from 0.5% to 1.6% at the Company's option, with payments ranging from $250,000 to $1,000,000 to the optionors.

See "*Queensway Project*".

Other Mineral Projects

The Company owns a 100% interest in the Lucky Strike Project in Kirkland Lake, Ontario, comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The Lucky Strike Project is located 10 km north of Larder Lake, Ontario and covers favourable and underexplored structural corridors associated with the Larder Cadillac Deformation Zone. The Lucky Strike Project is comprised of 639 single cell un-patented mining claims. The current mineral cells comprising the Lucky Strike Project were acquired from the completion of two option agreements, one purchase agreement and online staking. For the purpose of NI 43-101, the Lucky Strike Project is not a material property of the Company.

See "*Other Mineral Projects*".

THE OFFERING

Issuer: New Found Gold Corp.

Offering: NFG is offering for sale a minimum of ● and a maximum of ● Shares at a price of $● per Share for minimum gross proceeds of $15,000,000 and maximum gross proceeds of $25,000,000. The Shares are being offered on a "best efforts" basis pursuant to the Agency Agreement dated ●, 2020, between the Company and the Agents.

If subscriptions for a minimum of ● Shares have not been received within 90 days after the issuance of a receipt for this Prospectus, this Offering may not continue and subscription proceeds will be returned to subscribers, without interest or deduction. The latest date that the Shares may be taken up by the Agents is 90 days from the date that a receipt is obtained with respect to this Prospectus.

See "*Plan of Distribution*".

Agent's Commission: Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed pay the Agents the Commission, equal to the sum of (i) 6.0% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agents' Option), other than the gross proceeds raised from President's List Sales and (ii) 3.0% of the gross proceeds raised from President's List Sales, payable in cash from the proceeds of the sale of the Shares. The Agents will also receive, as additional compensation, Broker Warrants to purchase that number of Common Shares that is equal to 6.0% of the Shares sold pursuant to the Offering (including any Agents' Option Shares sold pursuant to the exercise of the Agents' Option), but excluding the Shares sold pursuant to President's List Sales. In connection with President's List Sales, the Agents will receive Broker Warrants to purchase that number of Common Shares that is equal to 3.0% of the Shares sold pursuant to the President's List Sales. Each Broker Warrant is exercisable to purchase one Share at a price of $● for a period of 12 months from the Closing Date. This Prospectus also qualifies the grant of the Broker Warrants and the Common Shares issuable upon exercise of the Broker Warrants. See "*Plan of Distribution*".

Agents' Option: Pursuant to the terms and conditions of the Agency Agreement, the Company granted the Agents an option to purchase that number of Common Shares equal to 15% of the Shares sold pursuant to the Offering. The Agents' Option is exercisable for a period of 30 days following the closing of the Offering at a price $● per Common Share. This Prospectus qualifies the grant of the Agents' Option and the distribution of any Agents' Option Shares issued pursuant to the exercise of the Agents' Option. See "*Plan of Distribution*"

Use of Proceeds: Assuming the Agents' Option is not exercised, the Company estimates receiving minimum net proceeds of $13,200,000 and maximum net proceeds of $22,600,000 after deduction of the Commission (assuming $3,000,000 is raised from President's List Sales), estimated expenses of the Offering of $750,000 and the cash advisory fee of $240,000.

If the Agents' exercise the Agents' Option in full, the net proceeds to the Company from the Offering will be a minimum of $15,315,000 and a maximum of $26,125,000 after deduction of the Commission (assuming $3,000,000 is raised from President's List Sales), estimated expenses of the Offering of $750,000 and the cash advisory fee of $240,000.

The working capital of the Company on the last day of the month before filing the Prospectus was $35,202,370. The Company intends to use the funds available to it following completion of the Offering (i) to conduct the Exploration Program recommended pursuant to the Queensway Technical Report (see "*Queensway Technical Report – Recommendations*") and (ii) for general corporate purposes and working capital requirements, as indicated in the following table:

Principal Purpose	Minimum Estimated Amount to be Expended ($ millions)	Maximum Estimated Amount to be Expended ($ millions)
Estimated Expenses	$750,000	$750,000
Conducting the Exploration Program recommended pursuant to the Queensway Technical Report		
Conducting the Drilling Program	$18,410,000	$18,410,000
Conducting the Till Sampling Program	$2,800,000	$2,800,000
Conducting the GGN Trenching Program	$200,000	$200,000
Conducting the GGS Trenching Program	$325,000	$325,000
General and administrative expenses	$5,000,000	$5,000,000
Unallocated working capital	$20,917,370	$30,317,370
Total	$48,402,370	$57,802,370

While the Company intends to spend the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See "*Use of Proceeds*".

Risk Factors: An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: the Company's current status as an exploration stage company; the Company's lack of mineral resources or mineral reserves; reliability of historical information; mineral exploration and development; competition and mineral exploration; additional funding; acquisition of additional mineral properties; government or regulatory approvals; permits and government regulation; the Company's limited operating history; title; the License Transfer Irregularity; laws and regulation; uninsured and underinsured risks; public health crises such as the COVID-19 pandemic; the global economy; the environment; social and environmental activism; dependence on management and key personnel; First Nations land claims; claims and legal proceedings; conflicts of interest; gold and metal prices; negative cash flow from operating activities; going concern risk; uncertainty of use of available funds; the Company's status as a reporting issuer; risks associated with acquisitions; force majeure; infrastructure; climate change; information systems and cyber security; the possible lack of established market for the Shares; the speculative nature of an investment in the Company; price of the Shares may not represent the Company's performance or intrinsic fair value; securities or industry analysts; price volatility of publicly traded securities; dilution; dividends; and the expected listing of the Shares on the TSXV. See "*Risk Factors*".

SELECTED FINANCIAL INFORMATION

The following table sets out certain selected financial information of the Company for the periods and as at the dates indicated. This information has been derived from the audited and unaudited financial statements and related notes thereto included in this Prospectus. The Company prepares its financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A.

	For the three months ended March 31, 2020 (unaudited) ($)	For the year ended December 31, 2019 (audited) ($)	For the year ended December 31, 2018 (audited) ($)
Total revenues	Nil	Nil	Nil
Exploration and evaluation expenditures	727,990	657,539	1,742,415
Share-based compensation	NIL	2,130,528	122,361
Loss and comprehensive loss for the period	(6,606,462)	(4,020,032)	(1,334,928)
Total assets	19,605,080	9,355,036	1,783,497
Current liabilities	513,245	392,849	828,306

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following financial statements and MD&A of the Company are included as schedules to this Prospectus:

Schedule A:	Audited consolidated financial statements for the year ended December 31, 2019 and the year ended December 31, 2018
Schedule B:	Management's discussion and analysis for the year ended December 31, 2019 and for the year ended December 31, 2018
Schedule C:	Unaudited Condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019
Schedule D:	Management's discussion and analysis for the three months ended March 31, 2020

The financial statements listed above have been prepared in accordance with IFRS.

Certain information included in the Company's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Statement Regarding Forward-Looking Information*".

CORPORATE STRUCTURE

NFG was incorporated under the OBCA as Palisade Resources Corp. on January 6, 2016. By articles of amendment effective June 20, 2017, the Company's name was changed to New Found Gold Corp. On June 23, 2020, the Company continued into British Columbia under the provisions of the BCBCA. The Company's head office is located at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview of the Company

General

NFG is a mineral exploration company involved in the identification, acquisition and exploration of mineral properties primarily in the Provinces of Newfoundland and Labrador and Ontario. The Company's exploration is focused on discovering and delineating gold resources. The Company has one material property: the Queensway Project located in Newfoundland, Canada. At present, the Queensway Project does not have any known mineral resources or reserves.

Since incorporation, the Company has taken the following steps in developing its business: (i) identified and acquired mineral properties with sufficient merit to warrant exploration; (ii) raised funds to progress the Company's exploration activities on its mineral properties, as described herein; (iii) completed the Queensway Technical Report on the Queensway Project; and (iv) retained directors, officers and employees with the skills required to successfully operate a public mineral exploration company.

The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The Company has applied to list its Common Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Business of the Company

Principal Operations

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties. As a result of this competition, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. The Company may also encounter competition from other mining companies in efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary funding or acquire suitable properties or prospects for mineral exploration in the future. See "*Risk Factors – Competition and Mineral Exploration*".

Specialized Skills and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, expertise related to mineral exploration, geology, drilling, permitting, metallurgy, logistical planning, and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business. See "*Risk Factors – Dependence on Management and Key Personnel*".

Cycles

The Company's mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, frozen ground and restricted access due to snow, ice or other weather-related factors. In

addition, the mining and mineral exploration business is subject to global economic cycles effecting, among other things, the marketability and price of gold products in the global marketplace.

Employees

As of the date hereof, the Company has no employees. The Company relies exclusively on consultants and contractors to carry on its business activities and, in particular, to supervise and carry-out mineral exploration on its Queensway Project and other mineral properties.

Environmental Protection

The Company is currently engaged in exploration activities on its Queensway Project and other mineral properties and such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and earnings of the Company. A breach of such legislation may result in imposition of fines and penalties. Management believes all of the Company's activities are in material compliance with all applicable environmental legislation. See "*Risk Factors – Environmental Risks*".

Social or Environmental Policies

The Company is committed to conducting its operations in accordance with sound social and environmental practices. At present, the scale of operations has not required the adoption of formal policies. The Company will reevaluate this position if and when necessary.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Two-year History

Financings and Issuances of the Company's Securities

2020 Flow-Through Private Placements

On June 10, 2020, the Company completed the second and final tranche of a non-brokered private placement financing by issuing 68,462 Common Shares that qualified as "flow-through shares" (within the meaning of the Tax Act) at a price $1.30 per Common Share, for gross proceeds of $89,000.60. In connection with the private placement, the Company issued certain finders non-transferrable Common Share purchase warrants ("**Finder Warrants**"), in an aggregate amount of 4,107 Finder Warrants, representing 6% of the Common Shares sourced by certain finders. Each Finder Warrant issued in connection with this private placement entitles the holder thereof to purchase one additional Common Share at a price of $1.30 per Common Share for a two-year period expiring on June 10, 2022.

On June 4, 2020, the Company completed the second and final tranche of a non-brokered private placement financing by issuing of 1,227,753 Common Shares that qualified as "flow-through shares" (within the meaning of the Tax Act) at a price $1.50 per Common Share, for gross proceeds of $1,841,629.50. In connection with the private placement, the Company issued certain finders an aggregate amount of 28,230 Finder Warrants, representing 6% of the Common Shares sourced by certain finders. Each Finder Warrant issued in connection with this private placement entitles the holder thereof to purchase one additional Common Share at a price of $1.50 per Common Share for a two-year period expiring on June 4, 2022.

On May 13, 2020, the Company completed the first tranche of the non-brokered private placement financing by issuing 2,766,844 Common Shares that qualified as "flow-through shares" (within the meaning of the Tax Act) at a price $1.50 per Common Share, for gross proceeds of $4,150,266. In connection with the private placement, the Company issued an aggregate of 36,052 Finder Warrants, representing 6% of the Common Shares sourced by certain finders. Each Finder Warrant issued in

connection with this private placement entitles the holder thereof to purchase one additional Common Share at a price of $1.50 per Common Share for a two-year period expiring on May 13, 2022.

On May 12, 2020, the Company completed the first tranche of a non-brokered private placement financing of 797,923 Common Shares that qualified as "flow-through shares" (within the meaning of the Tax Act) at a price $1.30 per Common Share, for gross proceeds of $1,037,299.90. In connection with the private placement, the Company issued an aggregate of 39,475 Finder Warrants, representing 6% of the Common Shares sourced by certain finders. Each Finder Warrant issued in connection with this private placement entitles the holder thereof to purchase one additional Common Share at a price of $1.30 per Common Share for a two-year period expiring on May 12, 2022.

Novo Transaction and Share Issuance

On March 6, 2020, the Company issued 15,000,000 Common Shares to Novo Resources Corp., a TSXV listed mineral exploration and development corporation ("**Novo**"), at a subscription price of $1.12 per Common Share, which was paid to the Company by the issuance of 6,944,444 common shares in the capital of Novo (the "**Novo Transaction**"). Upon closing of the Novo Transaction, Novo owned approximately 15.97% of the issued and outstanding Common Shares of the Company and the Company owned approximately 3.73% of the issued and outstanding common shares of Novo. Pursuant to the terms of the Novo Transaction, Novo has the right to appoint a director to the board of directors of NFG at any time until March 6, 2023, provided that Novo holds no less than 10% of the Company's issued and outstanding Common Shares.

Proposed Mexican Gold Transaction

On January 26, 2020, the Company entered into a binding letter agreement (the "**Mexican Gold Agreement**") with Mexican Gold Corp. ("**Mexican Gold**"), pursuant to which Mexican Gold agreed to acquire all of the issued and outstanding shares of NFG (the "**Proposed Mexican Gold Transaction**"). The Proposed Mexican Gold Transaction would have constituted a reverse takeover pursuant to TSXV policies as, following completion of the Proposed Mexican Gold Transaction, shareholders of NFG would have owned approximately 88.4% of the issued and outstanding common shares of the resulting issuer.

On February 19, 2020, the Company and Mexican Gold mutually agreed to terminate the Mexican Gold Agreement and the Proposed Mexican Gold Transaction.

November 2019 Private Placement

On November 29, 2019, the Company completed a non-brokered private placement financing of 16,000,000 units at a price of $0.50 per unit for gross proceeds of $8,000,000 (the "**November 2019 Private Placement**"). Each unit consisted of one Common Share and one common share purchase warrant (the "**2019 Warrants**"). Each 2019 Warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.75 per Common Share for a three year period expiring on November 29, 2022. In accordance with the terms thereof, the 2019 Warrants will either terminate or be exercised prior to Closing.

July 2019 Private Placement

On July 3, 2019, the Company completed a non-brokered private placement financing of 1,250,000 Common Shares at a price of $0.40 per Common Share for gross proceeds of $500,000.

June 2019 Private Placement

On June 18, 2019, the Company completed a non-brokered private placement financing of 1,875,000 Common Shares at a price of $0.40 per Common Share for gross proceeds of $750,000.

QUEENSWAY PROJECT

The scientific and technical information in this section relating to the Queensway Project is derived from, and in some instances is a direct extract from, and is based on the assumptions, qualifications and procedures set out in, the Queensway Technical Report. The Queensway Technical Report was prepared for the Company by Dawn Evans-Lamswood, M.Sc., P.Geo, (the "**QP**") of DEL Exploration, a Qualified Person and independent of the Company, as defined in NI 43-101. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a

complete summary of the Queensway Technical Report. Reference should be made to the full text of the Queensway Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description and Location

Location and Access

The Queensway Project is located in north central Newfoundland 12 km to the west of Gander and covers 151,030 hectares of land (Figure 1). The Queensway Project is centred within NTS 002D and NTS 002E within the Central Newfoundland Gold Belt. The Queensway Project is comprised of the following three main areas:

1) Gander Gold North ("**GGN**") - located east of the towns of Glenwood-Appleton, to the north of Gander Lake, covering the Appleton Fault Zone ("**AFZ**") and Joe Batt's Pond Deformation Zone ("**JBPDZ**") and associated areas around them. GGN comprises of 36 mineral licenses, totaling 15,650 hectares;

2) Gander Gold South ("**GGS**") - located to the south and west of Gander Lake along the eastern side of the NW Gander River, extending to the east to the Southwest Gander River area and to the west to near the Baie d'Espoir road. GGS comprises of 48 mineral licenses, totaling 130,780 hectares; and

3) Twin Ponds / Island Pond ("**Twin Ponds**") - located to the west of the Gander River and northwest of Glenwood-Appleton, separated from the other licenced areas on the west side of the Queensway Project. Twin Ponds comprises of 2 mineral licenses totaling 4,600 hectares.

Access to the Queensway Project is through the Trans-Canada Highway ("**TCH**"), that passes through the southern portion of the AFZ and JBPDZ claim areas, and the Northwest Gander Road ("**NWG Road**") that extends along the western portion of the Queensway Project, to the south and west of Gander Lake. Gravel woods access roads, such as the AFZ access, the JBPDZ access, the JBP road and the roads to the east of the steel bridge across the Northwest Gander River extend through most of the property, with areas in the extreme SE and SW the most difficult to access. Many quad and harvester trails and winter roads are also present in more recently cut over areas providing excellent access for heavy equipment when required.

Transportation availability includes the international airport at Gander, which has bush plane and helicopter bases, a helicopter base in Appleton and shipping through the ports of Lewisporte and Botwood, 25 and 70 km to the west of Gander, respectively, and north of the TCH, both with good harbours although problems persist with winter shipping due to sea and pack ice.

Electricity is available from the Newfoundland provincial grid, which has three transmission lines through the Queensway Project as follows:

1) A 350 kV HVdc direct current line which passes through the approximate centre of the GGS licences;
2) Two 138 kV HVac transmission lines to the north of the TCH crossing the AFZ and JBPDZ trends on the GGN licences;
3) A 69 kV HVac transmission line that approximately parallels the TCH to the north across the AFZ and JBPDZ trends on the GGN licences and follows the TCH and secondary routes.

In addition, electrical power is supplied, through the provincial grid, to the towns of Glenwood and Appleton which are surrounded by the Queensway Project licences.

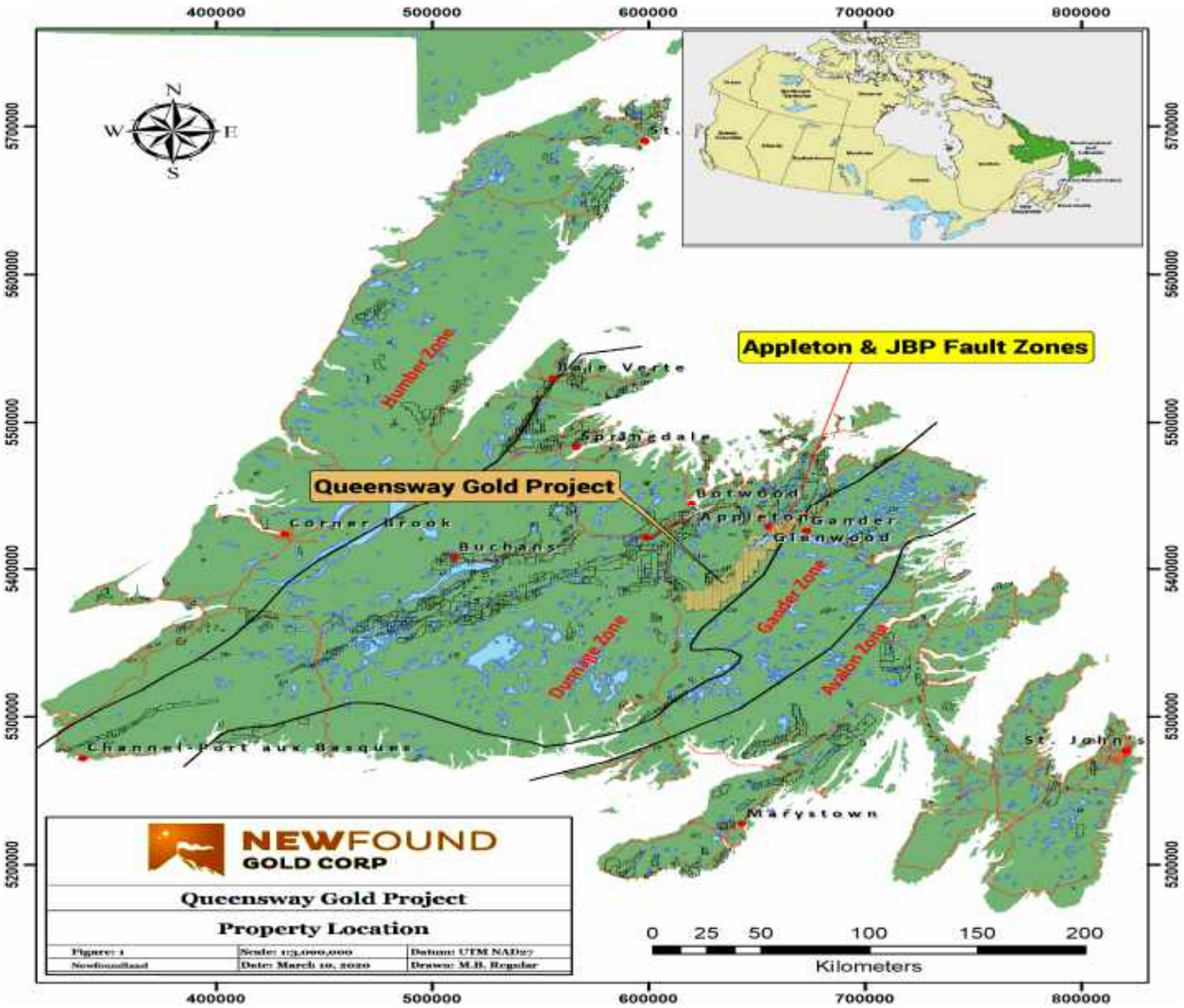


Figure 1. Queensway Project Location Map. Source: NFG, 2020

Title, <u>Royalties</u> and Encumbrances

Title

The Queensway Project contains 86 map staked mineral licenses containing 6,041 mining claims covering 151,030 hectares.

All of the lands comprising the Queensway Project are map staked crown mineral licenses issued by the Department of Natural Resources Newfoundland, Mines Branch (the "**Department**"). Mineral licenses are acquired by online staking in the province of Newfoundland. Licenses can consist of 1 to 256 claims per license. Assessment work is required in order to keep them in good standing – the first five years require $200, $250, $300, $350 and $400 per year per claim, respectively. Assessment requirements continue for up to 30 years with increasing costs as time passes as follows: $600 per claim for years 6 through 10, $900 per claim for years 11 through 15, $1200 per claim for years 16 through 20, $2000/claim for years 21 through 30. License renewal fees paid directly to the Department, which also increase as time goes by, are also required every 5 years and annually for years 21 through 30.

The total exploration expenditures required for 2020 to maintain the claims in good standing is $1,603,242 along with $10,775 in license renewal fees. The total exploration expenditures required for 2021 to maintain the claims in good standing is $1,979,605 along with $97,700 in license renewal fees.

NFG does not own any surface rights on the Queensway Project. Surface rights owners within the Queensway Project boundaries include cabin owners in the JBPDZ and Northwest Gander River areas and the residents of the towns of Appleton and Glenwood. NFG maintains the legal right to access and conduct exploration on all of the lands comprising the Queensway Project lands that lie on crown land without encumbrance with exception of necessary exploration permits for the work being conducted on the Queensway Project.

NFG recently identified an irregularity with respect to the registration of a mineral license at the Queensway Project in the physical Mineral Claims Recorder ("**MCR**") of Newfoundland related to an improper recording of a previous transfer of the mineral license (the "**License Transfer Irregularity**"). NFG has filed rectifying documents with the MCR to resolve the License Transfer Irregularity and expects the rectifying documents to be processed in July 2020.

Royalties, Agreements and Encumbrances

The project rights comprising the Queensway Project were acquired by map staking mineral licenses and making staged payments in cash and Common Shares from 2016 through 2019 under nine separate option agreements (the "**Option Agreements**"). Eight of the Option Agreements have been fully exercised resulting in 100% ownership by NFG of the subject mineral licenses and one Option Agreement is still active, for which the recorded title to the property remains registered in the names of the optionors thereto. Upon exercise of such Option Agreement, which is set to occur by September 2021, NFG will obtain 100% ownership of all the subject mineral licenses. The lands subject to the Option Agreements (Figure 2) carry various NSR royalties ranging from 0.6% to 2.5% which can be reduced by 0.5% to 1.6%, at the Company's option, with payments ranging from $250,000 to $1,000,000 to the optionors under the applicable Option Agreements (Figure 3). The total cost of the NSRs that may be purchased at the Company's discretion is $5,250,000. In addition to the Option Agreements, NFG also conducted map staking resulting in 49 map staked mineral licenses which are held 100% by the Company.

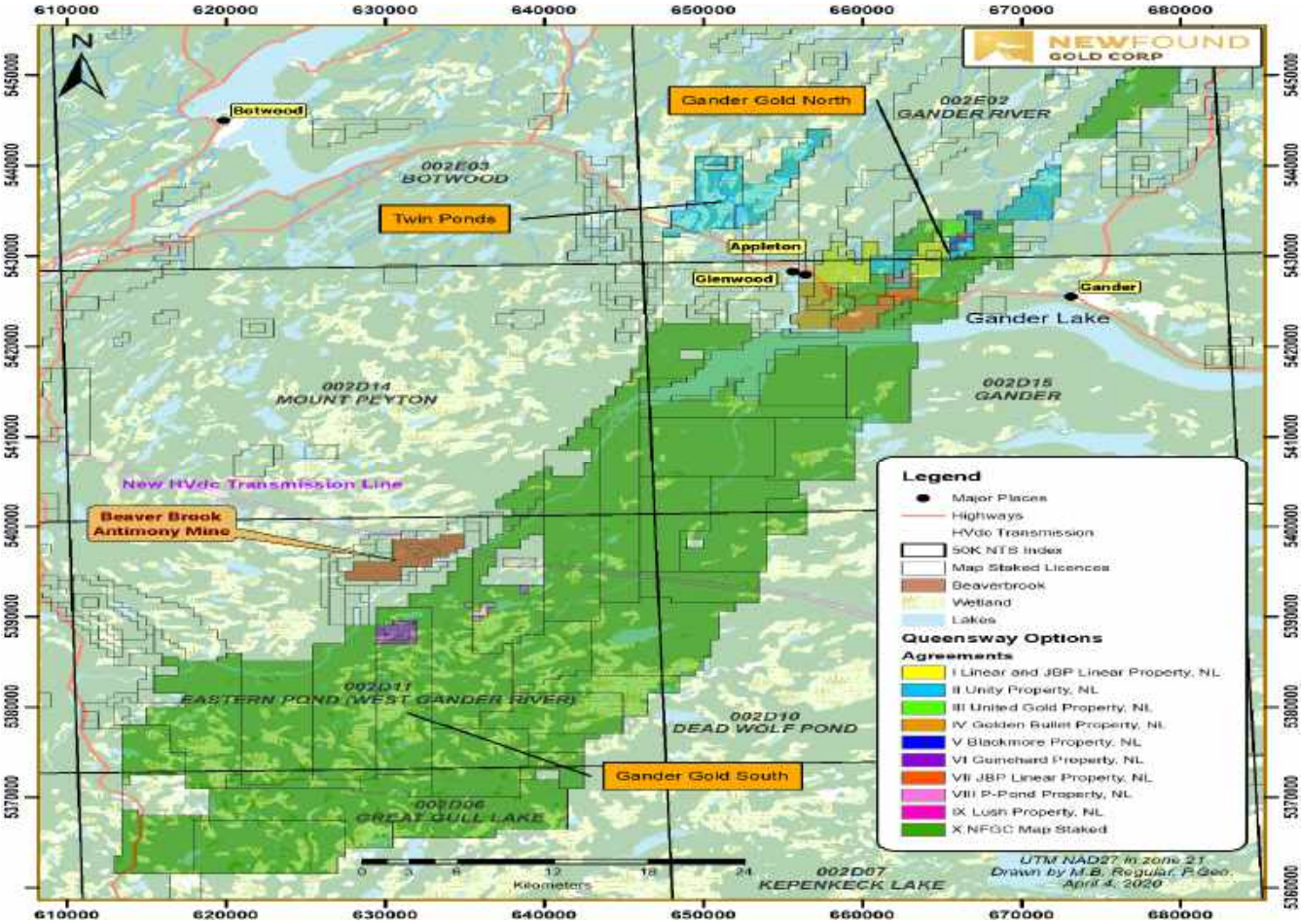


Figure 2. Map showing the properties covered by the Option Agreements and map staked mineral licenses. Source: NFG, 2020

Option Agreement	Completion Date	Payment Outstanding		NSR
		2020	2021	
Linear and JPB Linear Project	Fully Executed			1.6% NSR
Unity Project	11-Sep-21		$75,000	1.6% NSR with $1M buyback of 1.0%
United Gold	Fully Executed			0.6% NSR
Golden Bullet	Fully Executed			1.6% NSR with $1M buyback of 1.0%
Blackmore option	Fully Executed			0.6% NSR
Guinchard claims	Fully Executed			1% NSR with $1M buyback of 0.5%
JPB Linear Project	Fully Executed			1.6% NSR with $1M buyback of 1.0%
P-Pond Project	Fully Executed			1.0% NSR with $0.25M buyback of 0.5%
Lush Property	Fully Executed			2.5% NSR with $1.0M buyback of 1.0%
Total			$75,000	

Figure 3. Summary of Option Agreements. Source: NFG 2020

Between August 2016 and April 2017, the Company acquired a 100% interest of twenty-one licences covering 73,830 hectares through map staking. In April of 2020, an additional twenty-eight mineral licenses were staked totalling 64,175 hectares. In March 2019, NFG completed a financing with GoldSpot Discoveries Corp. ("**GoldSpot**"), which included the grant of an NSR to GoldSpot covering most of the existing twenty-one staked licenses and parts of the optioned properties. This royalty ranges from 0.4 - 1.0% such that royalties on the subject lands of the agreement do not exceed 1.0% (the "**GoldSpot Royalty**"). Additional lands staked by NFG in April 2020 are also subject to the GoldSpot Royalty.

After the application of the 0.6% area of influence included in the Linear and JBP Linear Project and the Golden Bullet option agreement, the total NSR royalty for the Queensway Project ranges from 0.6 to 2.5% before the application of NSR buy back provisions. After the application of buy back provisions, the total net smelter royalty ranges from 0.5 to 1.6%.

Environmental and Permitting Liabilities

All exploration activities, including reclamation, must comply with all pertinent federal and provincial laws and regulations, the fundamental requirement of which, is that exploration on crown land must prevent unnecessary or undue degradation or impact on fish and wildlife and requires reclamation if any degradation or impacts occur. All exploration activities in Newfoundland require an Exploration Approval from the Department prior to the start of work. Two Exploration Approvals are in place for the Queensway Project as of the date of the Queensway Technical Report.

The first Exploration Approval is for diamond drilling (50 Holes), surface trenching (50 trenches), ground geophysics, prospecting, geochemistry on the GGN area. The second Exploration Approval is for airborne geophysics, geochemical surveying and prospecting over the entire Queensway Project area prior to April, 2020. The Exploration Approvals expire one year from the date they are approved unless the exploration is completed earlier and is reported as being complete. Any changes to the planned work have to be submitted to the Department and either an amended Exploration Approval is given or a new application has to be made. The additional lands staked in April 2020 will require new Exploration Approvals.

Water removal from ponds, streams and other waterways for trenching (washing trenches) or drilling requires a water use permit, which is granted for 1 year. One water use permit is in place for the GGN claims and related diamond drilling and trenching. The permit is issued until July 5, 2020. This permit can be renewed, or new permit issued to cover ongoing exploration activities.

The 2019 activities on the Queensway Project required the renewal of certain regional prospecting and geochemistry permits; a renewal was required for the JBPDZ trenching permit along with the associated water use permit; additional permits were also acquired for diamond drilling along with a separate water use permit. Any number of individual Exploration Approvals can be applied for; typical delays in permit approval range from 30 to 60 days.

Although the author of the Queensway Technical Report is not a QP with respect to environmental issues, in her opinion, environmental liabilities appear to be limited to ground disturbances related to the trenching carried out in 2017 and again in

2018, which require reclamation at a future date. The JBPDZ area, the area impacted by the trenching, has been heavily logged over recently with extensive networks of woods access roads, both all season and winter only, and cutovers which have been scarified and partially replanted using silviculture. Most of the 2017 trenches and many of the 2018 trenches have been reclaimed as required except for the requirement to replant small trees using silviculture at a future date. Historical trenches, some of which haven't been reclaimed, on the AFZ, JBPDZ and the GGS area are not the responsibility of NFG under present laws unless the Company conducts additional trenching in those areas. There is little evidence of drilling exploration by previous operators, which have been naturally reclaimed by decades of natural plant growth that have removed most traces of prior activities.

In the opinion of the QP of the Queensway Technical Report, diamond drilling conducted during 2019 does not present any apparent environmental liabilities. All drill sites have been cleaned of drill cuttings; drill pads have been reclaimed to prevent potential of negative environmental impacts.

Generally, the mineral licenses are available for exploration activities year-round and only subject to the conditions of the Exploration Approvals and water use license; other activities such as construction, road building, camps and water crossings may require additional permits from outside of the Department. Mineral licenses within the southernmost portion of GGS are restricted from exploration activities from mid-May to early-July due to spring habitat for Newfoundland caribou.

There are no significant factors or risks that may affect access, title, or right or ability to perform work on the Queensway Project.

History

Property ownership with respect to lands comprising the Queensway Project have changed ownership numerous times since prospecting the area began. The following section describes in detail past owners of the land and outlines the history of ownership in the various areas.

Twin Ponds – Island Pond

Set forth below is the chronological history of ownership and exploration at the Twin Ponds portion of the Queensway Project:

- 1988 - Noranda Inc. ("**Noranda**") was the first to conduct mineral exploration in the Twin Ponds area, staking in 1988 and exploring using prospecting and geochemistry into 1990. From 1991 to 1995 no exploration took place and the licenses held by Noranda were eventually cancelled.

- 1995 - prospectors Jim Bouzanne, Michael Stacey, and L. Dwyer focused their efforts on the Big Pond area near the NFG current licenses. These licenses were eventually cancelled.

- 2002 - Crosshair Exploration & Mining Corp. staked Big Pond, Dan's Pond, Island Pond Salmon Pond area. Their exploration attracted the attention of Rubicon Minerals Corp. and Paragon Minerals Corp. and regional exploration consisting of prospecting and geochemistry continued until 2004. All licenses were eventually cancelled.

- 2007-2015 – prospectors, including Michele and Nath Noel, Gary and Donna Lewis, Nehemiah Pinsent, Larry Quinlan, Gordon Lawrence and Jessica Bjorkman in later years, staked claims and explored the Big Pond, Dan's Pond and Shirley Lake areas, however all associated licenses were cancelled within 2 years of staking.

The current licences with respect to the Twin Ponds were optioned to NFG by Nigel Lewis shortly after they were staked in mid-2016. Exploration thus far by NFG has included: airborne EM and high-resolution magnetics and follow up prospecting and limited geochemistry.

Gander Gold South

The GGS portion of the Queensway Project has a long and complex history of ownership. The below description does not refer to specific land claim boundaries but instead discusses the property areas ownership in general terms.

- 1981 - Minorex Limited held a claim in the Little Gander Pond area.

- 1984 - Glenn R. Clark & Associates Limited held licences in the Caribou Lake area.

- 1985-1987 – Corona Corporation ("**Corona**") held claims in the Hunts Pond and Southwest Gander River Area.

- 1985-1988 - Prospector Lewis Murphy and his company Commodore Mining Corp. held exploration licenses in the area.

- 1985-1990 - Noranda claimed Northwest and Southwest Gander Rivers, Gander Lake, Gander River areas. Noranda was the major licence holder with large land packages over the Jumbo Brook, Paul's Pond and Greenwood Pond areas. These licenses were either surrendered or cancelled in the early 1990's.

- 1986-87 - Kidd Creek Mines Ltd. partnered with Noranda Falconbridge for claims in the Northwest Gander River area as well as the Caribou Lake area east of the claims.

- 1988-1992 - Roycefield Resources Ltd. claimed the Beaver Brook area and optioned licenses over antimony discoveries made by Noranda, with the property becoming the Beaver Brook Antimony Mine.

- 1988-1989 - BP Resources Canada Ltd. held licences in the Great Bend and Coy Pond areas just south west of the current claims.

- 1989-1990 - Prospector Lew Murphy claimed the Bear Pond and Rollins Pond areas.

- 1993-1995 - John Clarke claimed the Greenwood Pond and Paul's Pond area.

- 1995 - New Island Minerals Inc. claimed the Northwest Gander River area.

- 1995 - Roland Butler, John Clarke, Wayne Pickett and Rod Churchill claimed the Southwest Gander River area.

- 1995-2000 - Prospectors Benjamin Critchfield, Denis Walsh and Timothy Froude held licences in the Dead Wolf Pond area.

- 1995-2001 - Altius Resources Inc. ("**Altius**") claimed the Greenwood Pond area and other areas along the Northwest Gander River.

- 1995-2000 - Prospector Lai Lai Chan claimed the Paul's Pond and Greenwood Pond areas. These claims were tied on to Altius. Robert Stares held ground in the Caribou Lake area. Paul Crocker held claims in the Hunts Pond area.

- 1999 - Cornerstone Resources Inc. ("**Cornerstone**") claimed the Southwest Gander River area.

- 2001 -2002 - Prospector Kevin Keats claimed the Eastern Pond area. Allen Keats held some licenses in the Little Gander Pond area.

- 2001 -2002 - South Coast Ventures claimed the Northwest Gander River, Joes Feeder, Steel Bridge, Jumbo Brook, and Greenwood Pond areas. Buchans River Ltd. held minor ground at Hunts Pond.

- 2002-2010 – Prospector period with most ground being held by independent prospectors. Lai Lai Chan, Darrin Hicks, Nathaniel Noel and E. Michelle Noel held ground in the Berry Hill area. Roland Quinlan, Fred & Wesley Keats, Brian Rowsell, James & Calvin Crocker held ground in the Dead Wolf Pond, Caribou Pond, and Southwest Gander River area. Stephen Baldwin and the Quinlan's held minor claims in the Hunts Pond area and Suley Keats Sr., Alexander Duffitt, Gene Hedges held licences in the Little Gander Pond and Southwest Gander River area. The Dead Wolf Pond area was particularly busy by prospectors Eddie Quinlan, Frank Pollett, Glenn Stacey, John Sceviour, Hayward Critchley, and the Crocker family.

- 2003-2004 - Most licenses reverted to the original prospectors who held the most promising ground with limited company interest other than Altius. Much of the area remained unclaimed.

- 2003-2005 - Candente Resources Corp. ("**Candente Resources**") claimed the Eastern, Paul's Pond and Outflow areas and Paragon Minerals held some ground near Bear Pond.

- 2003 – 2011 – Mostly prospectors claims with interest by Altius in the Northwest Gander River, Caribou Lake, Hunts Pond, and Dead Wolf Pond areas, and Cornerstone along the Northwest Gander River.

- 2009- 2010 - Golden Dory Resources Corp. claimed the Greenwood Pond area.

- 2011 - Metals Creek Resources Corp. claimed the Gander Lake.

- 2011- 2012 - Altius allowed many claims to revert back to prospectors or be cancelled for the Northwest and Southwest Gander Rivers and Greenwood Pond.

- 2012-2016 - A few prospectors held claims along the Northwest and Southwest Gander Rivers. Fred and Wesley Keats held ground along the Southwest Gander River. Andy Budden, Jeffrey LeDrew, Shane and Robert Stares, and Wayde Guinchard held licences in the Dead Wolf Pond and Southwest Gander River area. Michelle Noel, Fred and Wesley Keats, Brian Rowsell, Clyde McLean, Allen Keats, and Jeffrey Neville all held licences in the Southwest Gander River area.

- 2012-2015 – a few prospectors held claims along the Northwest and Southwest Gander Rivers.

- 2016-2020 - Vulcan Minerals held ground in the Northwest Gander River more towards the Lizard Pond showing.

- 2016 – Present - NFG staked the licenses that make up the bulk of the GGS area and optioned prospectors claims in the Paul's Pond and Greenwood Pond areas.

Gander Gold North

The GGN portion of the Queensway Project was acquired by NFG by option in late 2016 through 2018. The optioned properties covered known gold showings along the AFZ and JBPDZ faults. Continued staking by the Company in 2017 and 2020 added to the claim holdings in the area. Below is the rest of the ownership history for the claims on the property:

- 1980 - Westfield Minerals Ltd. ("**Westfield**") worked the Jonathan's Pond area. Here they staked a gold showing discovered by government geologists in 1980, the first recorded gold exploration in the area.

- 1981 and 1985 - Prospector Lewis Murphy worked the Gander River Ultramafic Belt line ("**GRUB Line**") with MD & K Agencies and Newmont Canada.

- 1984 - Duval Int'l Corp. for Glenn R. Clark & Associated Limited conducted basic geological mapping, VLF ground surveys, and some till sampling along the GRUB Line north of Jonathan's Pond.

- 1984-1986 - Noranda worked north of Gander Lake, prospecting for gold, dominating exploration activity until joint venturing with Gander River Minerals Ltd. on the more prospective ground from 1992 to 1997 when most claims were cancelled.

- 1987-1991 – Falconbridge Ltd. worked the JBPDZ. No records of the results are available.

- 1999-2000 - United Carina Resources Corp. with partner Consolidated Pine Channel Gold Corp. worked the AFZ and optioned claims which had been targeted earlier by Noranda and Gander River Minerals.

- 1997-1999 - Krinor Resources Inc. worked the AFZ and the JBPDZ zones. Prospector Roland Quinlan began prospecting the area east of Rocky Pond west of Jonathan's Pond and the Gander River.

- 1999 – 2001 - Several local prospectors worked the Gander River, Gander Lake, Millers Brook, Appleton and Joes Batts Pond areas to the north of Gander Lake into the Bellman's Pond and Jonathans Pond region near the GRUB Line. Cyril Reid, Roland Quinlan and his brothers, Jim Bouzane, and Calvin Crocker among others.

- 2001-2011 - Rubicon Minerals Corp. and Paragon Minerals Corp. worked the AFZ and JBPDZ.

- 2002-2003 - Crosshair Exploration & Mining Corp. worked ground near Bellman's Pond and Rocky Pond along with minor activity by WAVE Exploration Corp., and prospectors Gary Lewis and Perry English.

- 2004 - 2005 - Spruce Ridge Resources Ltd. explored the Little Harbour and Gander Lake North areas.

- 2008 - 2015 - Many properties reverted to the crown and were re-staked by prospectors who targeted the gold showings defined in the earlier exploration activity.

- 2011 - Altius explored the Jonathan's Pond area.

- 2016 - Present – NFG explored the AFZ and JBPDZ zones and began optioning gold properties and added staking and options. By 2018 NFG established the current land package.

Past Exploration

Outside of the academic studies that delineated the geology of the Gander group, Davidsville group and area lithologies, there was very little formal mineral exploration activity for gold in the Queensway Project area until Noranda's activities in the 1980's.

- 1950's through the 1960's – NALCO conducted reconnaissance base metal prospecting along the Great Bend portion of the Gander River Ultramafic Complex (1953-1954) and Bell Asbestos examined the complex in 1963. During this time talc, copper, zinc, tungsten, arsenopyrite, and asbestos showings were discovered in the Dead Wolf, Caribou Lake and Hunts Pond areas.

- 1970's through the 1980's - Early exploration continued with a focus on the potential for base metals and industrial minerals, such as chromite, magnesite and asbestos in the Gander River Ultramafic Complex ("**GRUC**"). Companies included John's Manville and International Mogul Mines Ltd. ("**International Mogul**").

- 1971 – International Mogul, north of Jonathan's First Pond, drilled a pyrite-chalcopyrite-sphalerite showing to northeast of the Queensway Project.

- 1980 - 1981 – Westfield worked in the Jonathan's Pond area and conducted a follow-up program of rock sampling, prospecting, mapping and trenching to evaluate a gold-arsenopyrite showing reported by geologist Frank Blackwood in 1980, thus beginning gold exploration in the region.

- 1983 – early 1990's - Noranda initiated gold exploration on the GGS and GGN properties using regional till sampling, prospecting, and stream heavy mineral concentrate surveys identifying significant gold in till anomalies both to the north and south of Gander Lake. Follow up exploration, including prospecting, soil geochemistry, ground geophysics, trenching and diamond drilling, defined gold showings including Duder Lake, and Mount Peyton, to the northwest of Gander River, Aztec, the Greenwood Pond and Pauls' Pond showings to the south of Gander Lake, and the Knob, Bowater and others in the AFZ. The Andromeda gold showing near Rocky lake was discovered in 1991 north of Jonathans Pond. The soil / till geochemistry also indicated a major antimony trend along the northwest Gander River that resulted in the Beaver Brook antimony deposit being discovered during follow up prospecting, trenching and diamond drilling. Gold targets were identified throughout the JBPDZ and AFZ, in the GGN area to the north of the lake, as well as at Paul's and Greenwood Ponds to the south of Gander Lake in the GGS area.

Subsequent exploration by Noranda and other companies and prospectors has resulted in the discovery of many gold showings such as the Dome, Road and Keats/Baseline showings along the AFZ, the H-Pond, Pocket Pond and Lachlan along the JBPDZ,

the Goose, Road Gabbro and LBNL showings at Paul's Pond, and the Aztec, Hornet, A-zone Ext as well as the Greenwood showings near Greenwood Pond. Visible gold was noted in many of these showings.

Historic Drilling

To date there has been over 25,538 metres of core drilled directly on the Queensway Project in 218 holes. All holes were BQ, NQ and HQ size core drilled from the wireline drills available during the time. No rotary or other drilling types have been recorded. No holes have been drilled on the Twin Ponds portion of the property, although there has been 3 holes drilled at the Blue Peter (BP-88-01 to 03) and 4 holes at the Clydesdale (CD-05-01 to 05) showings just off the northern portion of the licences in that area. South of Gander Lake there have been 20 holes completed with over 2,246 metres of core on the Paul's Pond Area and Greenwood Pond Area.

Older drilling south of Gander Lake includes 5 holes drilled by NALCO in 1955 with an intersection of 14.38% Zn, 4.08% Cu, 0.80% Pb, 0.80% Ag, and 0.0 I oz of Au over a narrow width. Bison Petroleum also drilled in the Gander River Complex in 1969 with a total of 6 holes and 831.8 metres. Two of these holes intersected anomalous silver values with weak base metal and gold numbers. In 1979 Hudson's Bay Oil and Gas collared one hole at Dead Wolf in the "Effingham Zone" to a depth of 48.19 metres finding no significant mineralization.

The majority of diamond drilling has occurred North of Gander Lake in the AFZ and JBPDZ areas. North of the TCH along the AFZ there are a total of 49 drill holes and over 5,922 metres of core recovered. South of the TCH on the same trend there are 83 drill holes and over 8,403 metres of core recovered. More recent drilling has occurred along the JBPDZ trend which has seen 54 holes completed with a total of over 9,872 metres of core recovered to date.

NFG has been able to verify the location of 37 holes on the Queensway Project to date, as they were found during field work. Of the 37 encountered, most holes lie within a reasonable tolerance of the estimated location describe in logs, or on historical maps. Of the holes found by NFG 10 holes from the Knob Showing on the JBPDZ were determined to be off from the recorded location by a larger variance then deemed acceptable. As a result, the SV series holes drilled by Soldi Ventures in 2012 will need to have their collars found and verified by GPS to determine the correct location.

Historic drilling revealed multiple areas of significant gold enrichment within a proximity to the known major geological structures in the area. The depth of mineralization ranges from surface down to 200m and greater in places. With several of the historical showings subject to limited drilling numerous gold enriched quartz veins have been encountered indicating various orientations. Continuity between showings has in some cases been established for up to 700m for the H Pond showing but, in many cases, significant gaps in drilling do not allow for continuity to be established.

Historic Mineral Resource and Reserve Estimates

In 1994 Gander River Minerals optioned the Knob property including the Knob prospect from Noranda. Drilling by Gander River Minerals allowed for production of a historical resource estimate of 236,391 tonnes grading 10.26 g/t Au containing 77,943 oz Au. This historical estimate was published by Gander River Minerals in the technical document titled "Eighth Year Assessment Report Summary of Diamond Drilling Activities Conducted Within Licence No. 4344 The 'Knob' Prospect N.T.S. 20/15" authored by Dean Sheppard, 1994.

The data used in the preparation of the historical resource estimate does not meet the current standards of exploration quality assurance and quality control protocols such that it should not be relied upon to produce a current resource estimate for the Knob prospect. Significant additional drilling and data verification would be required to ensure the quality of historic data meets current standards for use in a resource estimate. Additionally, the methods used in the preparation of the resource as a block long section methodology include certain assumptions of geological continuity and grade variography are not adequate to treat this as a current mineral resource estimate.

A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources or mineral reserves.

Geological Setting, Mineralization and Deposit Types

Regional and Local Geology

The island of Newfoundland is the northeastern most part of the Appalachian orogen. It is divided into four major tectonostratigraphic zones, which are (from west to east): Humber, Dunnage, Gander and Avalon. These zones comprise the product of peri-Laurentia and peri-Gondwana micro-continents rifting during the opening of the Iapetus and Rheic oceans, and subsequent collision with oceanic terranes during ocean closure and terrane accretion in the early- to mid-Paleozoic Era.

The western half of the Dunnage zone (Notre Dame subzone) represents a peri-Laurentia continental arc complex. On the eastern side of the Dunnage zone, where the Queensway Project is located, the exploits subzone represents the meta-sedimentary and meta-igneous remnants of a peri-Gondwanan arc/back-arc complex. Cambrian to Silurian supracrustal rocks are intruded by Silurian to Devonian granitoid suites. The Exploits subzone is delineated by the Red Indian line to the west and the GRUB Line to the east. Rocks of the GRUB are Upper Cambrian in age. They represent relics of an ophiolitic complex thrusted upon Middle Cambrian to Lower Ordovician arenites and shales of the Gander Zone, which were deposited on the leading edge of the Gondwanan margin. The GRUB Line and Dog Bay Line are significant continental sutures formed at the closing of the Iapetus Ocean and traceable through Newfoundland and into Great Britain (Figure 4).

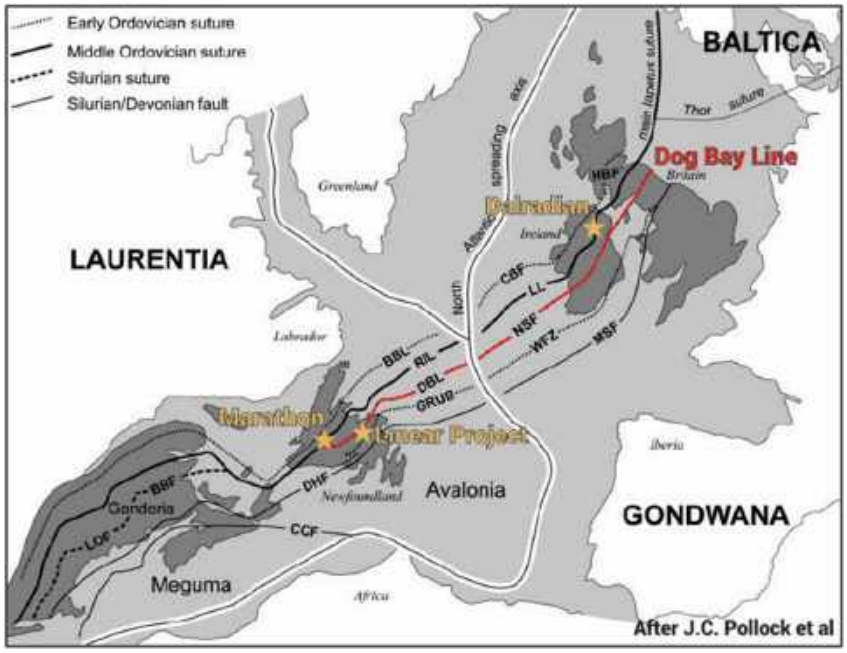


Figure 4. Image of major suture zones. Modified from J.C. Pollock et al. Source: NFG 2020

Accretion events started with the Taconic orogeny, between Late Cambrian and Late Ordovician Periods, and the Penobscot orogeny that was in part coeval. The former occurred along the Laurentia margin with the collision of the Notre Dame arc against the continental crust of the Humber zone, while the latter took place along the Gondwana continent. The Penobscot orogeny mainly involved the obduction of ophiolitic complexes on the Gondwana margin. The predominantly Silurian Salinic orogeny consisted in the closure and partial subduction of the basins containing rocks of the Exploits subzone, as Laurentia and Ganderia converged. Ganderia was a passive margin separated of Gondwana by narrow oceanic stretches and the Neoproterozoic arc complex of Avalonia. Avalonia collided with Laurentia during the Acadian orogeny (450-400 Ma) and the final stage of the Appalachian orogeny consisted in the docking of the Meguma zone (Nova Scotia) during the Neoacadian orogeny from Middle Devonian to Early Carboniferous Periods.

Property Geology

The Queensway Project is located within the Exploits Subzone of the Dunnage-Gander zone and lies just to the west of the GRUC fault, which is the Dunnage-Gander zone's boundary. It mostly comprises Cambrian to Silurian meta-sedimentary rocks of the Davidsville group. The Davidsville group is divided into the Outflow Formation and the Hunt's Cove Formation. The portion of the Queensway Project south of Gander Lake also includes the boundary between the Davidsville and Indian Island

Groups (Figure 5). The latter mainly comprises Silurian siliciclastic rocks, intruded by the Mount Peyton Intrusive suite. Figure 6 below demonstrates the overall geological zones of the Queensway Project.

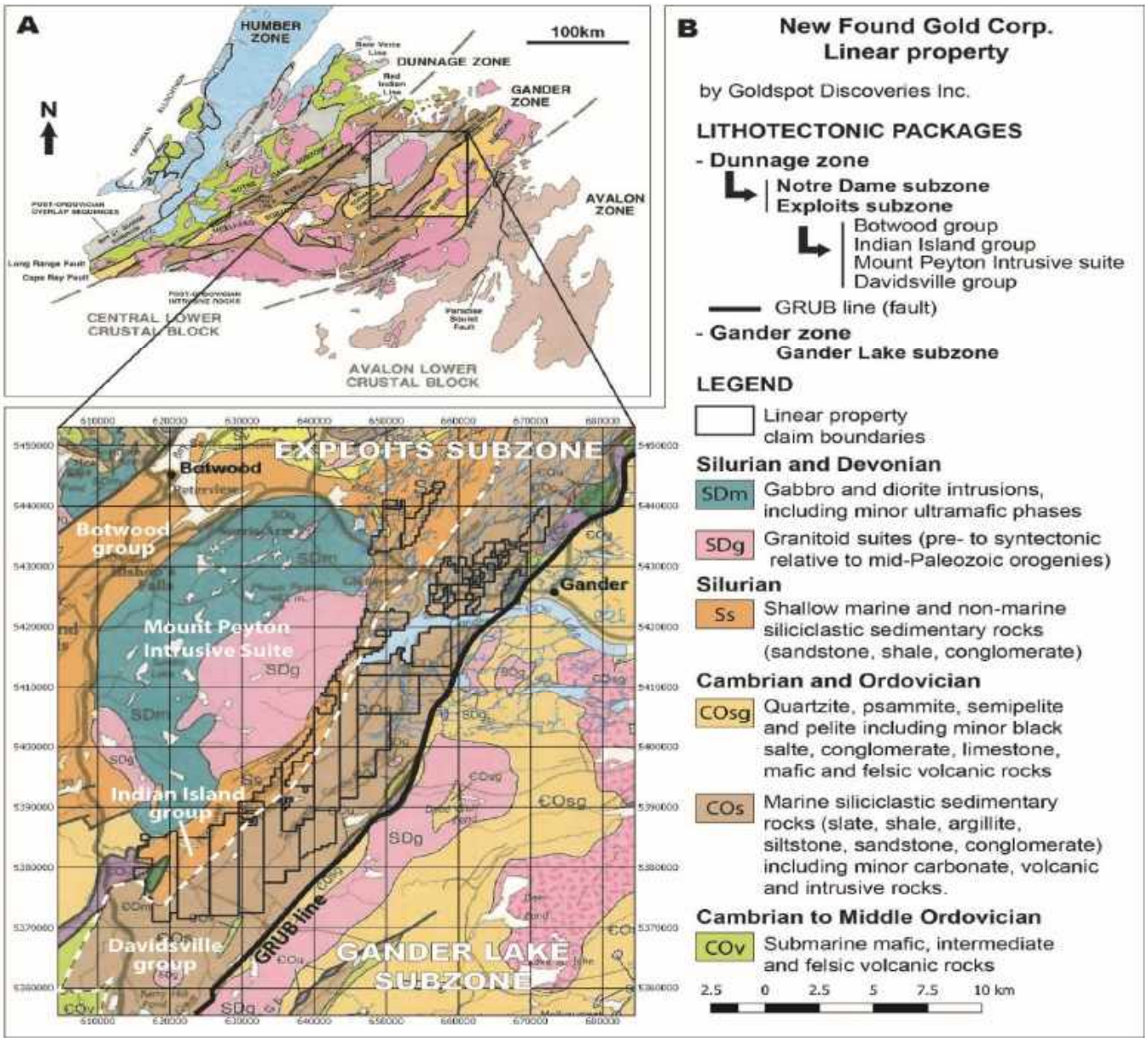


Figure 5. Geological context of the Queensway Project. circa 2018: (A) Location of the property with respect to major terranes of Newfoundland, (B) Regional geological context. Source: NFG 2018.

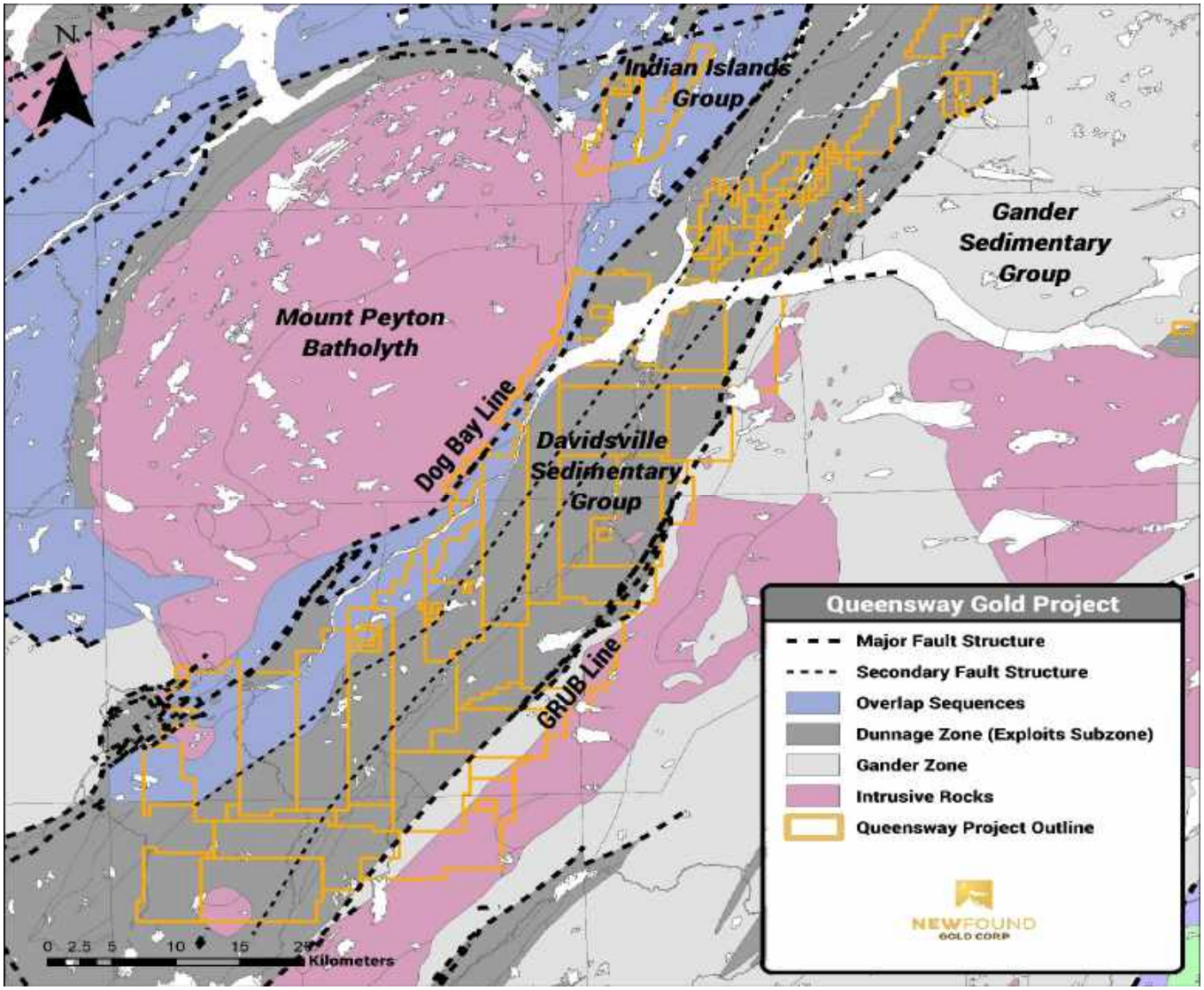


Figure 6. Overall Geological Zones of the Queensway Project. Source: NFG 2020

Structure

Structure is a key aspect of the Queensway Project and critical control of gold mineralization. Most rocks display a penetrative, sub-vertical, axial planar structural fabric (S1) trending NNE-SSW. Local decimetre-scale, open to isoclinal F1 folds have been observed, shallowly-plunging to the north-west. Occasional SW-plunging folds are interpreted to be caused by D2 interference, consistent with other studies.

Variations in the attitude of S1 have been documented. These variations are interpreted as resulting from the development of crosscutting NE-trending dextral fault/shear zones, consistent with a late stage dextral transpression during the main deformation event. Drag folds affecting the main fabric are locally present. Such fault zones are present at outcrop-scale, typically with 0.5 to a few metres offset determined in the presence of quartz veins. The largest example of such shear zone occurs on the north shore of Gander Lake, west of the Gander River. It consists in a 10-20m wide, sub-vertical zone of intense S1 disruption trending at N75.

The S1 fabric is frequently affected by crosscutting D2 structures. Such structures typically consist in early to well-developed kink banding, fault planes and, locally, open folds. They trend N125-N130 and dip around 60°SW. A conjugate, secondary set of faults and kink banding is locally present at approximately 30°. Relative kinematic indicators indicate NW-SE extension and NE-SW compression.

Most structures observed in the field are of metre to decametre-scale. The lithological homogeneity of rocks over the Queensway Project hinder the identification and delineation of major structures at property scale. Consequently, the Company relies on geophysical data to identify probable structures.

On the macroscopic scale the intersections of the ENE and NNE faults have shown to be favourable locations for gold mineralization historically as shown in Figure 7 below. This is possibly due to increased dilative activity at these points. There are several other areas of the GGN area that show similar intersecting geophysically interpreted structures and could indicate higher potential for gold mineralization.

As part of NFG's targeting exercise and with the help of GoldSpot Discoveries several areas of high priority and second priority targets have been developed in the GGN area through the use of geophysical interpretation, geochemical interpretation, structural interpretation and machine learning. Priority target areas are shown on Figure 7.

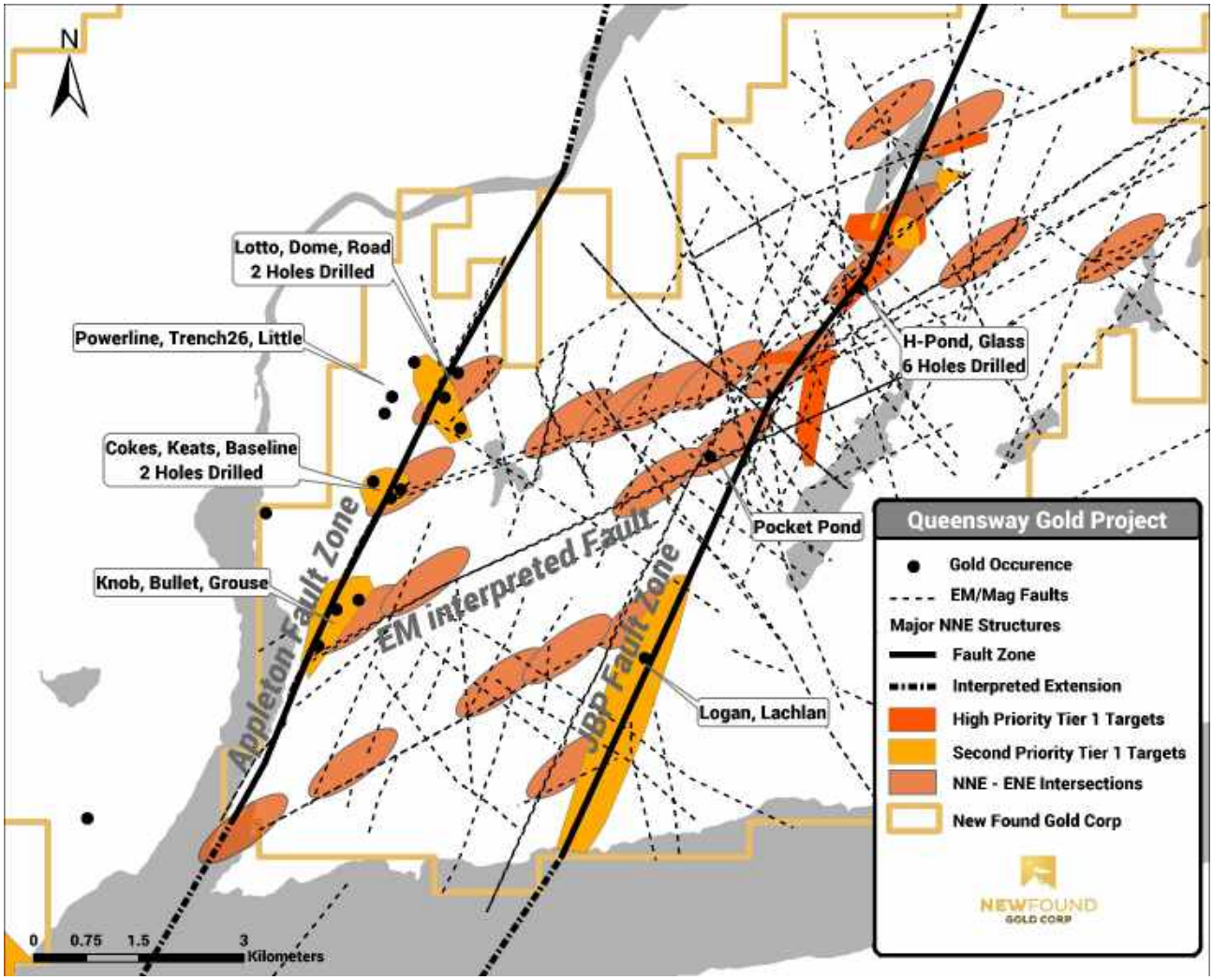


Figure 7. High Priority and Second Priority Tier 1 Targets and intersecting. Source: NFG, 2020

Mineralization

Gold occurrences on the property exist in auriferous quartz veins displaying variable intensity of hydrothermal alteration and sulphide content. In typical showings gold mineralization occurs in mudstone-hosted, conjugate sets of fault-fill and extensional quartz veins with associated hydrothermal alteration. Occasionally veins are hosted in sandstone beds as predominantly extensional veins, as sandstone beds are more competent than mudstone.

Fault-fill and extensional veins typically show evidence of intense deformation, characterized by boudinage, shearing and folding. They are also affected by late-D1, NE-trending, dextral shear fault zones. In some occurrences, auriferous veins and structures crosscut the main fabric (S1). However, they are also affected by D1-related faults, indicating a late-D1 emplacement timing.

Auriferous quartz veins frequently contain fine-grained pyrite, arsenopyrite and visible gold. Less systematically, they include chalcopyrite, galena and boulangerite. Sulphide content often is higher in the surrounding host rock than in the vein. Iron carbonates can form up to 10% of the vein content, in addition to the alteration halo around the vein. Iron carbonate form subhedral to euhedral crystals in the vein and are present as disseminated anhedral grains in the surrounding mudstone matrix.

There are over 100 gold showings on and around the Queensway Project, however the most notable mineralized zones in the Queensway Project are the JBPDZ, which includes the H-Pond, Pocket Pond, Glass, Logan and Lachlan showings and the AFZ which includes the Dome, Little, Knob, Letha, Lotto, Grouse, Road, Bullet, Trench 26, Cokes, Powerline, Keats and Bowater showings (Figure 8). A number of gold mineralized occurrences also occur within the GGS claim group including the Greenwood Pond, Hornet, North Pauls Pond, Aztec, Goose, Road Gabbro and LBNL showings.

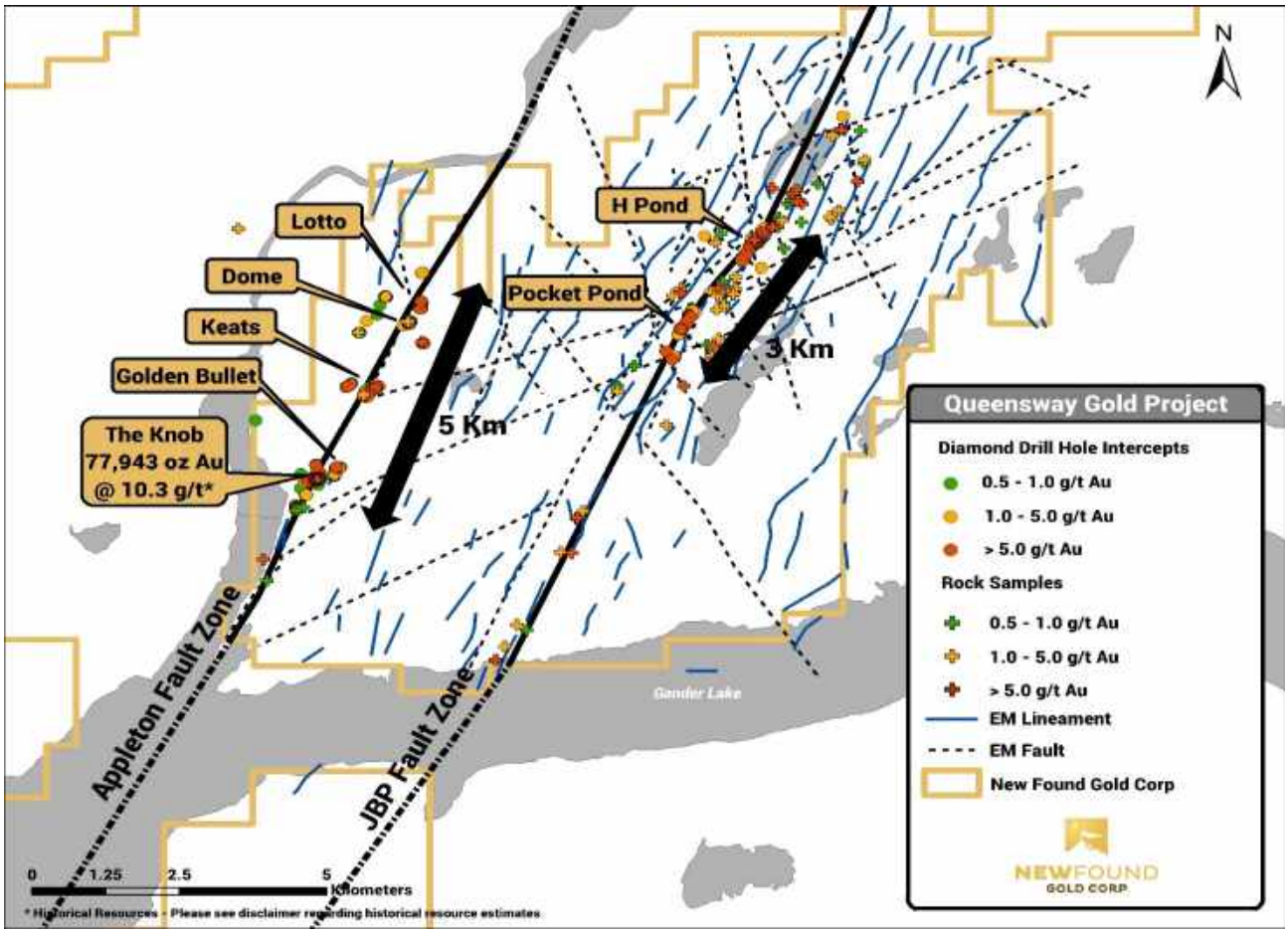


Figure 8. Selected Prospects along the AFZ and JBPDZ. Source: NFG, 2020

Purchasers of Shares under this Prospectus are cautioned that mineralization results presented below are shown as channel lengths, drill intercept lengths and not as true widths of mineralization. In many cases the true width of mineralization is not known at this time. Drill hole coordinates and full listing of significant historical diamond drill hole intercepts can be found in the Queensway Technical Report, which is available for review under the Company's profile on SEDAR at www.SEDAR.com. Grab sample results presented below are highlighted values and are not indicative of the true grade of mineralization found at each of the mineral prospects and showings.

AFZ

The AFZ is a relatively linear set of faults and vein arrays which has been traced along roughly 5 km on the western side of the GGN claim group. The fault structure has not been identified in outcrop owing to the glacial scouring, however, its presence is easily identifiable in diamond drill core and by observation of satellite imagery which delineates a clear NNE linear depression filled with glacial till and overlain by creeks and ponds. In drill core the fault zone is represented by a 100-200m wide zone of locally intense fault brecciated sedimentary rock and fault gouge and is often filled with large volumes of quartz and iron carbonate. Gold mineralization is spatially associated with the main fault lineament as numerous gold occurrences are found within hundreds of metres of the lineament. The exact structural relationship between the known gold occurrences and the lineament are not yet known. Low gold values have also occurred within drill core that has intersected the main fault lineament.

The AFZ contains a number of gold showings including the Dome, Little, Knob, Letha, Lotto, Grouse, Road, Bullet, Trench 26, Cokes, Powerline, Keats and Bowater (Figure 9, Figure 10, Figure 11 and Figure 12).

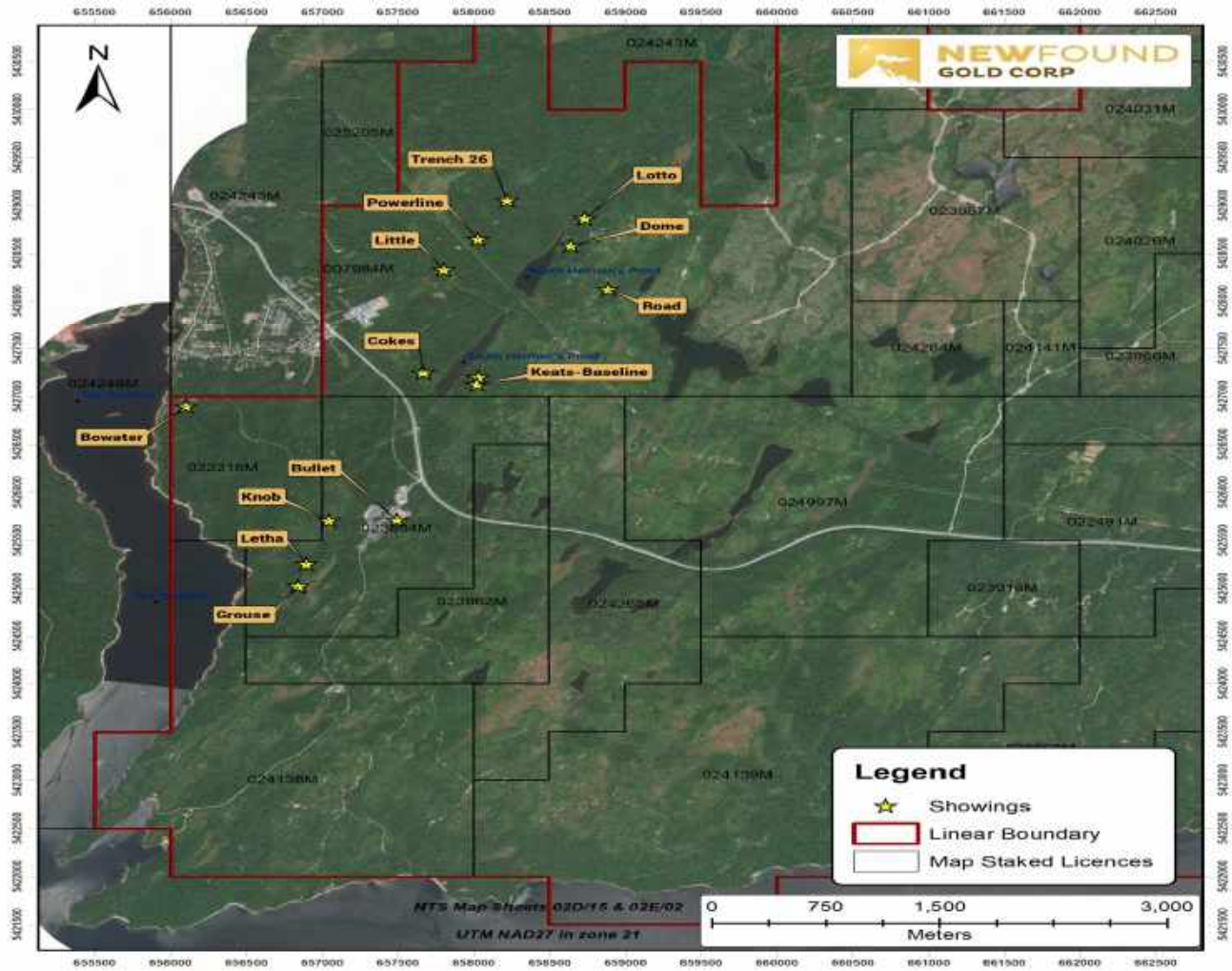


Figure 9. Selected Prospects along the AFZ. Source: NFG ,2018.

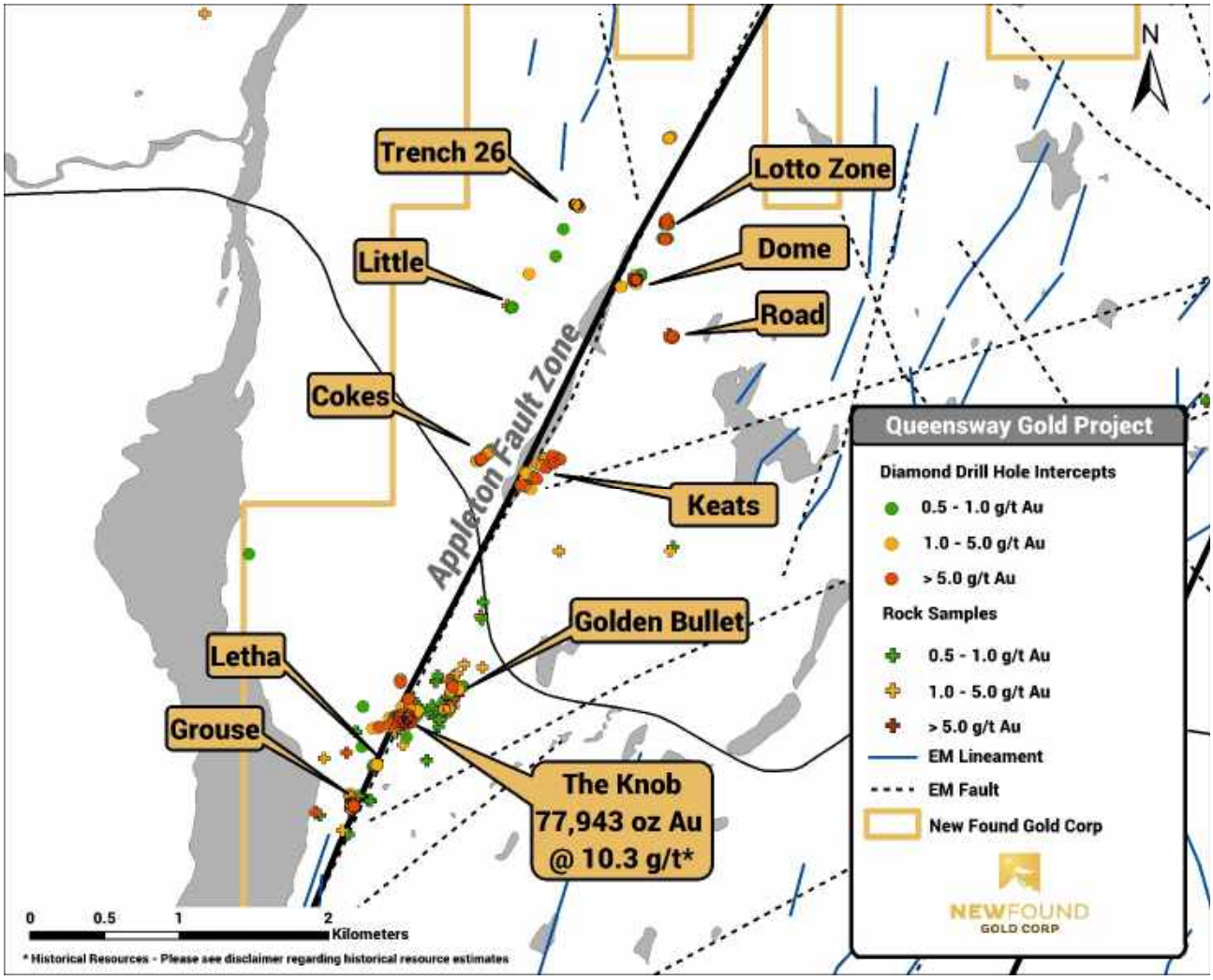


Figure 10. Selected Prospects along the AFZ showing drill intercept values Source: NFG, 2020

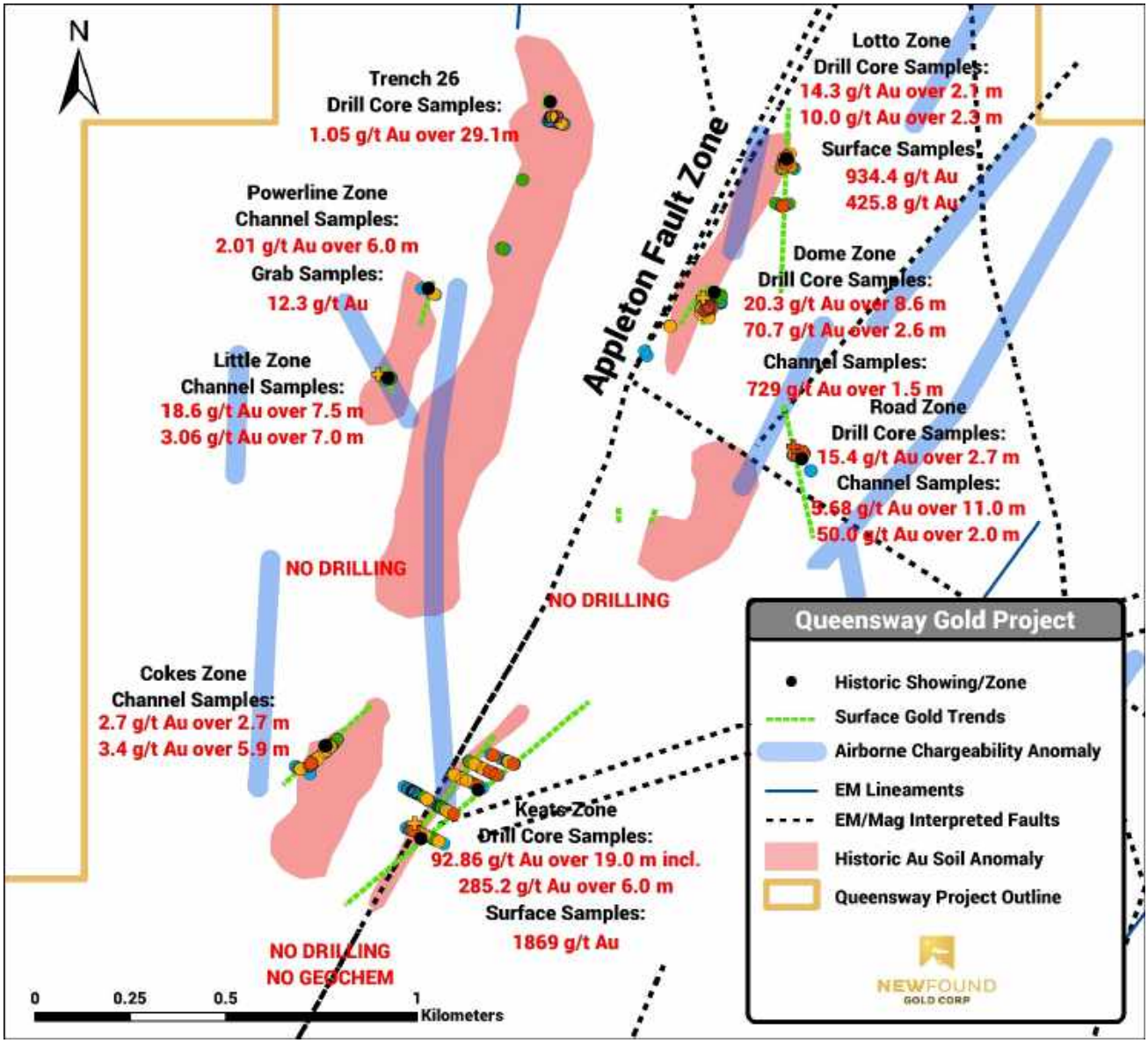


Figure 11. Selected Assay Highlights along the AFZ North Source: NFG, 2020

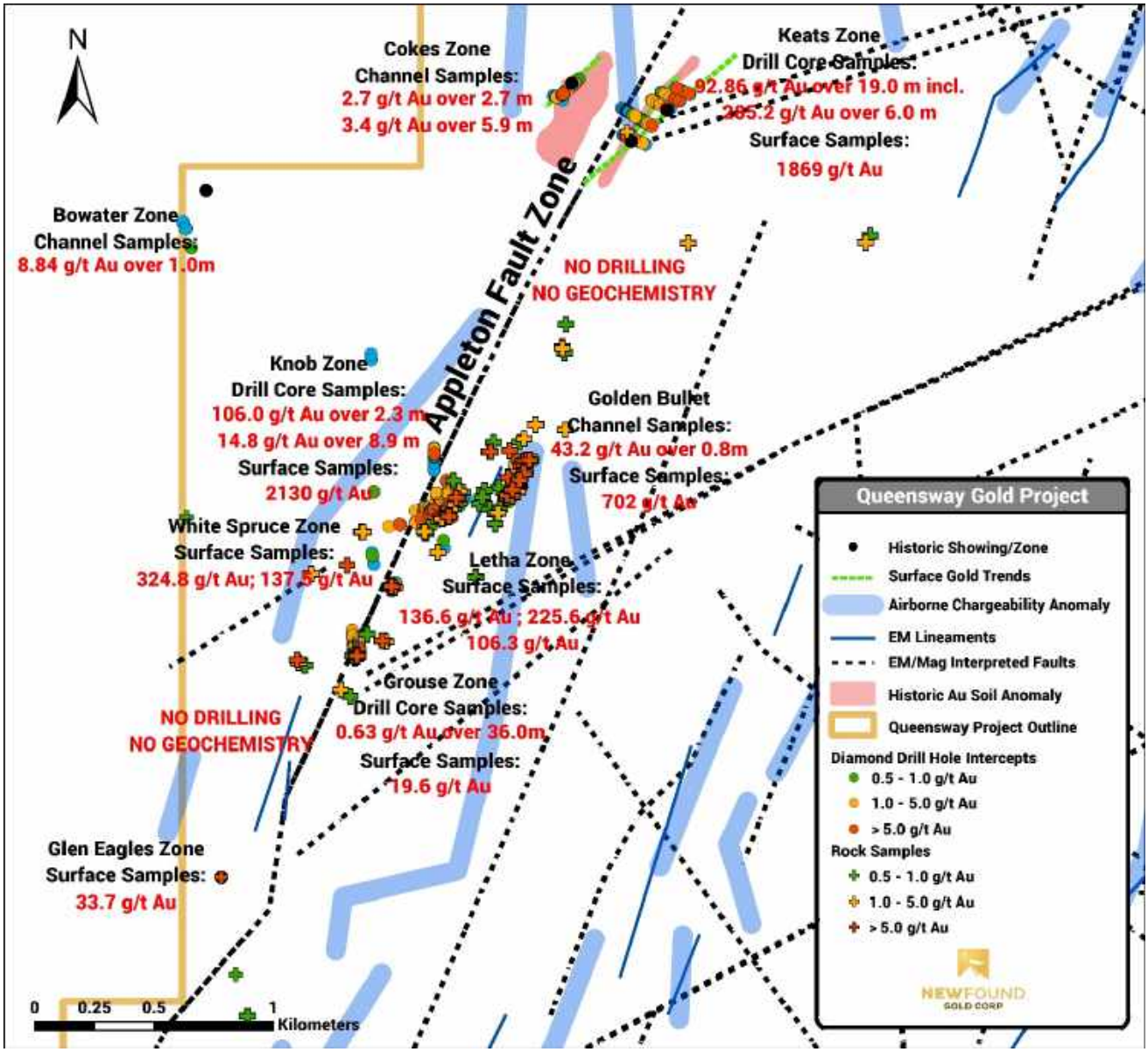


Figure 12. Selected Assay Highlights along the AFZ South Source: NFG, 2020

Dome Prospect

The showing is located just to the east of the north end of North Herman's Pond. It is a sigmoidal shaped, quartz "blowout" with associated narrow (<1 metre wide), brecciated quartz veins and iron carbonate carrying abundant visible gold which appears to be controlled by a dilational structure caused by shearing oblique to the AFZ trend or possibly a crosscutting kink or fold. Host units are dark grey to black mudstones to graphitic shales. Pyrite and arsenopyrite are noted although not always associated with gold values. A 70 metre^2 area (7x10 metres), tested by 4 orthogonal channel samples, gave an uncut average grade of 42.9 g/t Au. Trenching expanded the area of the mineralization by locating numerous other sub-parallel veins that contain visible gold on fractures or healed vein margins associated with green to brown sericite. Ten individual veins have been noted to carry visible gold in the trenched area. Fifteen (15) shallow drill holes tested the zone. The first 3 holes drilled in 1999 were drilled 15 metres apart drilling through the quartz "blowout". Gold intersections from these holes gave values:

LG99-01 - 20.3 g/t Au over 8.6 metres including 70.7 g/t Au over 2.6 metres;

LG99-02 – 10.6 Au over 2.8 metres;

LG99-03 - 10.6 g/t Au over 2.8 metres; and

NFGC-19-03 – 16.52 g/t Au gold over 6.1 metres including 162.5 g/t Au over 0.6 metres.

Later drilling away from the main quartz "blowout" gave the following intercept:

LG00-28 - 4.9 g/t Au over 3.7 metres.

Little Prospect

Candente Resources trench #19 tested strong soil anomalies, up to 637 ppb Au and 748 ppm as over a strongly deformed/foliated black shale unit cut by quartz veins, some brecciated, and varying in colour from white to grey. An alteration zone in grey-green shales associated with shearing crosscuts the foliation. The zone is up to 5 metres wide, with boudinaged quartz veining carrying pyrite, arsenopyrite, and possible stibnite and cinnabar. Black shales, to the west of the shear zone are offset by the shear and contain mineralized and Fe carbonate altered quartz veining. A sheared offset with associated quartz veining trends into the main shear. Mineralized quartz veins gave grab sample values up to 8.7 g/t Au. Channel samples outlined a 4 metre wide zone over a 35 metre strike length which averages 8.4 g/t Au in the SE portion of the trench and a channel sample in the NW corner gave assay values of 18.6 g/t Au over 7.5 metres including 116.6 g/t over 1 metres. Black, non-mineralized, shales were encountered to the west of the trench. Two drill holes have tested the zone – LG99-16 which gave low gold values over the interval from 25-32.7 metres and LG03-2 which didn't intersect any significant gold mineralization.

Knob Prospect

The Knob prospect of mesothermal, auriferous quartz veins hosted in a variably deformed, NE trending shale and greywacke unit, of the Outflow Formation in the Davidsville group. The greywacke is in fault contact with an unmineralized and unaltered shale sequence. The host units strike to the northeast, dip steeply to the northwest, and are overturned and form the structural footwall to the mineralized package. Faulting appears to have offset the mineralized veins.

Two types of quartz veins are noted: 1) pyrite-arsenopyrite-rich veins with low gold values; 2) milky-white massive and smaller, sheeted quartz veins, that contain coarse free gold and minor pyrite, chalcopyrite and a steel-grey mineral identified as boulangerite. Both vein types are shear-controlled and are hosted by structures that crosscut the greywacke at a high angle. The veins are typically less than 50 cm wide and exhibit pinch and swell textures although the relationship between the two types of veins is not known. Extensional veins (tension-gash) are developed in the greywacke in and adjacent to the main shear zones.

Wallrock alteration around the milky-white veins consists of silicification with disseminated pyrite and arsenopyrite, and rusty weathering, intensely deformed zones. Mineralization occurs as free gold in the quartz veins, and is also associated with adjacent, carbonate-altered and arsenopyrite-bearing, sedimentary units that give assay grades of up to 5 g/t Au. Veining occurs in all rock units however it is best developed in greywackes, possibly due to the more competent nature of these units. Selected channel sample Au assay values from trenching include:

T-90-01 - 6.26 g/t Au over 13.0 metres and 81.53 g/t Au over 0.81 metres; and

T-90-01B - 12.08 g/t Au over 2.78 metres and 354.4 g/t Au over 1.10 metres.

Significant Au drill intercepts include:

GLN-90-11 - 38.53 g/t Au over 6.45 metres including. 106 g/t Au over 2.3 metres and 412 g/t Au over 0.58 metres;

GLN-90-13 - 19.82 g/t Au over 2.6 metres including. 32.2 g/t Au over 1.6 metres;

GLN-93-17 - 12.33 g/t Au over 10.67 metres including. 38.14 g/t Au over 2.14 metres and 102.20 g/t Au over 0.76 metres; and

GLN-93-19 - 9.54 g/t Au over 1.52 metres including. 24.02 g/t Au over 0.60 metres.

Letha Prospect

The Letha prospect, consists of a W-NW trending, narrow quartz vein system, hosted mainly in shale that has extensive thickening (a blow-out) where the vein passes from shale into massive greywacke. The plunge of the quartz "blow-out" (340°/-70°) is defined by the intersection of the northerly dipping vein and northwest dipping greywacke-shale contact. Spectacular coarse visible gold is noted in the "blow-out" as well as in the vein even where it is hosted by shale. Select Au grab sample assay values of 106.3 g/t, 136.5 g/t, 225.6 g/t, were found in visible gold-bearing quartz vein material grab samples. Drilling encountered quartz veining down dip / plunge of the vein exposed in surface trenching.

Significant Au drill intercepts include:

GB-04-07 - 0.48 g/t Au over 1.5 metres including. 0.78 g/t Au over 0.40 metres; and

GB-04-17 - 0.90 g/t Au over 4.8 metres including. 3.79 g/t Au over 0.5 metres.

Lotto Prospect

The Lotto zone is located approximately 150-200 metres to the north along strike from the Dome showing. Three trenches exposed strong iron carbonate alteration with associated quartz veining and visible gold hosted in dark grey to black mudstones and graphitic shales. The quartz veining parallels, and crosscuts the Linear trend and contains pyrite, arsenopyrite and chalcopyrite. Visible gold was noted in two of the trenches associated with strong iron carbonate and brecciated quartz veins where grab samples gave Au values of 934.4 g/t and 64.1 g/t. Channel samples gave lower grade Au assay values of 1 g/t over a few metres, with (0.5 metre) zones assaying up to 11.84 g/t Au.

Nine diamond drill holes intersected wide zones of alteration (iron-carbonate) and Au mineralization. The highest grade Au drill intersections were:

LG00-35 - 14.3 g/t Au over 2.1 metres; and

LG99-07 - 10.0 g/t Au over 2.3 metres.

Grouse Prospect

The Grouse prospect is a major, complex, mineralized quartz vein system with highly anomalous gold values over significant widths which reach almost 30 metres true thickness with individual veins up to 6 metres wide. Visible gold was encountered for the first time in bedrock with grab samples of quartz vein material assaying 19.4 g /t Au and 12.1 g/t Au. The geology at the Grouse was found to be similar to the Knob prospect with a more massive greywacke member being the favoured structural host for the development of quartz veining which is contained in a 25 metres wide alteration zone. The most prominent vein located along the northern margins of their alteration zone, is orientated east-west and dips north at 50 to 60°. Pyrite / arsenopyrite, is mostly confined to the margins of the veins, while sphalerite, chalcopyrite, galena, and boulangerite are only present in the veins. No visible gold was noted. Drilling has tested the zone 25 metres along strike and to 70 metres down dip. Select channel samples from this zone include 6.9 g/t Au over 0.6 m, 3.6 g/t Au over 0.9 metres and 2.9 g/t Au over 1.0 metres.

Significant Au drill intercepts include:

GB-04-08 - 0.97 g/t Au over 7.05 metres including. 1.17 g/t Au over 1.20 metres and 1.73 g/t Au over 1.40 metres;

GB-04-09 - 0.63 g/t Au over 36.0 metres including. 1.96 g/t Au over 4.50 metres and 7.49 g/t Au over 0.50 metres; and

GB-04-13 - 0.44 g/t Au over 33.10 metres including. 2.96 g/t Au over 1.10 metres and 4.19 g/t Au over 0.60 metres.

Road Prospect

The Road prospect is located approximately 200-300 metres to the east of the AFZ structure and to the southeast of the Dome showing. It appears to be oriented at a 30 degree angle to the AFZ at approximately 165 degrees. It is a sheared and folded zone of alteration (iron carbonate) up to 3 metres wide containing boudinaged quartz veins that trend north-south along the shear. The main, shallow dipping (40 degrees) quartz vein is up to 0.7 metres wide, averaging about 0.3 metres and carries visible gold with associated arsenopyrite and minor pyrite with associated green and brown sericite, similar to the Dome showing.

Select channel samples gave Au values of 92.6 g/t Au over 1.0 m, and 24.7 g/t Au over 1.2 metres. Five drill holes gave Au highlight values of:

LG99-4 - 15.4 g/t Au over 2.7 metres and 2.5 g/t Au over 3.0 metres.

Bullet Prospect

The Bullet prospect is hosted by weakly graphitic, greyish-green shales and siltstone of the Hunts Cove Formation of the Davidsville group. Gold mineralization comprises a narrow, quartz-carbonate vein set developed in a NE trending, steeply south dipping, dextral shear zone. The shear zone has a maximum width of 50 cm and an exposed strike length of 24 metres. The shear dies out to the northeast and to the southwest the shear and quartz veining are offset approximately 1 metre by a sinistral shear zone. Movement along this zone appears to have been coincident with quartz vein development as the vein cuts this shear and was offset by, and folded into, the plane of the shear. Late movement is noted on the shear which hosts the main quartz veins as these veins are broken and reoriented. The veins are generally less then 15 cm thick and are comprised of milky-white quartz with disseminated pyrite, arsenopyrite, boulangerite and minor base metals.

The gold occurs as specks and clusters of free gold. Select channel sample values include 11.9 g/t Au over 0.5 m, 43.2 g/t Au over 0.8 m, and grab sample values of 456 g/t Au, 702 g/t Au, 28.7 g/t Au and 78.4 g/t. Significant drill intercepts include:

GLN-88-04 - 0.89 g/t Au over 4.0 metres including. 1.20 g/t Au over 2.5 metres;

GLN-88-05 - 0.55 g/t Au over 1.8 metres; and

GLN-89-06 - 17.3 g/t Au over 0.3 metres and 4.40 g/t Au over 2.0 metres including. 7.73 g/t Au over 0.7 metres.

Trench 26 Prospect

Candente Resources trench #26 tested a strong Au / As soil anomaly located approximately 250 metres to the west of the AFZ, immediately to the west of the access road and approximately 200 metres to the north, along strike of the Powerline showing. The mineralization is hosted in black to graphitic shales with green shales and greywackes and is the furthest to the north that mineralization has been found on the west side of the AFZ. Trenching gave only weak values in the 0.5 to 1 g/t Au range however sampling was difficult and incomplete due to water inflows into the trench.

Two drill holes tested the zone with assay highlights of:

LG99-20 -1.05 g/t Au over 29.1 metres; and

LG99-24 - gave only weakly anomalous Au values.

Cokes Prospect

Two trenches Candente Resources #'s 15, 16 tested soil anomalies with values up to 1500 ppb Au and > 2200 ppm as on the west side of the AFZ in the area of the Cokes farm. An 8-10 metres wide iron carbonate altered zone with variable quartz veining was located near the contact between a thin (3-4 metres), sheared greywacke bed and grey shales. Units are iron carbonate altered and contain boudinaged, narrow, quartz veins with pyrite, arsenopyrite and minor bladed stibnite in one vein. Grab samples give values up to 11.8 g/t Au with the highest values located in the quartz veins.

Channel samples showed gold values up to 7.5 g/t Au over 1.0 metres. The western extension of Trench 15 and Trench 16 exposed iron carbonate altered greywacke (to the west), in contact with unaltered, contorted, grey shales.

Four drill holes have tested the zone. Reported Au values include:

LG03-03 - 2.7 g/t Au over 2.7 metres; and

LG03-04 - 3.4 g/t Au over 5.9 metres.

Powerline Prospect

Candente Resources trenches 21-23 tested a strong soil anomaly with values up to 3940 ppb Au and 34,460 ppm As. Iron carbonate alteration zones up to 5 metres wide, with narrow quartz veins, were located in shales and conglomeratic greywacke with acicular arsenopyrite noted in the iron carbonate altered conglomeratic greywacke. To the north, the zone appears to be offset to the east along the crosscutting Herman's Pond fault structure. Grab samples gave Au values up to 12.4 g/t from the mineralized quartz veins while channel sampling gave Au values of 2.0 g/t over 6.0 metres in the northern portion and 1.4 g/t Au over 7.0 metres (incl. 5.8 g/t Au over 1.0 metres) in the southern portion of Trench 22.

The area was tested by 7 diamond drill holes; only anomalous Au results were found in all holes with up to 1.0g/t Au over 3.1m.

Keats Prospect

The Keats zone is located approximately one kilometer to the south of the Dome prospect just to the east of South Herman's Pond. It consists of mainly parallel quartz veins with variable iron carbonate alteration over a width of up to 100 metres hosted by black mudstones and grey greywackes, with some sericite also noted. Visible gold has been found along the east margin of the zone, along the east side of South Herman's Pond, with float samples assaying up to 1,869 g/t Au and channel samples giving values up to 13.6 g/t Au over 1.0 metres. The baseline portion of the zone consists of disrupted/boudinaged quartz veins over a 30 metres long strike length, open to the north and south and crosscut by shears showing a sinistral sense of movement. Visible gold is noted in many of the quartz veins associated with strong sulphide mineralization (pyrite, arsenopyrite, chalcopyrite, boulangerite).

Six diamond drill holes (LG99-11-13, LG03-5, LG08-48, 49) tested the area, drilling to the west towards South Herman's Pond. Two holes (LG99-11,12) intersected mineralized zones with visible gold that assayed:

LG99-11 - 8.8 g/t Au over 4.3 metres including a 0.6 metre interval that graded 61.3 g/t Au and second Interval of 9.23 g/t Au over 1.6 metres including 35.4 g/t Au over 0.3 metres; and

LG99-12 – 16.3 g/t Au over 2.3 metres.

Five of the 6 holes over a 280 metres strike length intersected significant gold mineralization, with one hole drilled to the east away from the mineralization.

Two holes in 2019 targeted the Keats zone with visible gold and notable quartz veining in both holes associated with a previously unidentified fault. Assay highlights from this drilling include:

NFGC-19-01 – 92.86 g/t Au over 19.0 metres including 285.2 g/t Au over 6.0 metres; and

NFGC-19-02 – 1.54 g/t Au over 12.0 metres including 5.45 g/t Au over 1.0 metres.

Bowater Prospect

The Bowater prospect consists of narrow (up to 10 cm wide) extensional and minor shear controlled, milky-white, quartz-pyrite veins and quartz breccia. The quartz is developed in a 12 metres thick, weakly sericitized / carbonate-altered, black, quartz-feldspar-rich, greywacke, a unit in the Outflow Formation of the Davidsville group. Two main vein orientations are noted, a N-NE bedding parallel set and a cross-cutting E-W set.

The gold mineralization is associated with dark grey to white brecciated quartz veins with gold values directly related to pyrite concentration. A southeasterly plunging, open, F2 fold in one of the trenches is thought to have played a role in localizing gold. Graphitic shale which forms the footwall to the greywacke contains up to 20 %, non-auriferous, pyrite. Grab samples give values up to 20 g/t Au.

Select Channel sample assay values from trenching include 8.8 g/t Au over 1.0m and 3.2 g/t Au over 1.0m.

JBPDZ

The JBPDZ is a broad 500 to 1000-metre-wide linear belt of high strain ductile to brittle deformed mudstone containing numerous quartz and iron carbonate veins some of which can be traced for hundreds of metres and are believed to extend over thousands of metres. Gold mineralization has been found along this corridor over a 7 km length to date. Exploration along this corridor has primarily been focussed on the use of surface trenching and diamond drilling to define the mineralized zones. Key showings/zones along this trend are the H-Pond, Pocket Pond, Glass, Logan and Lachlan (Figure 13 and Figure 14).

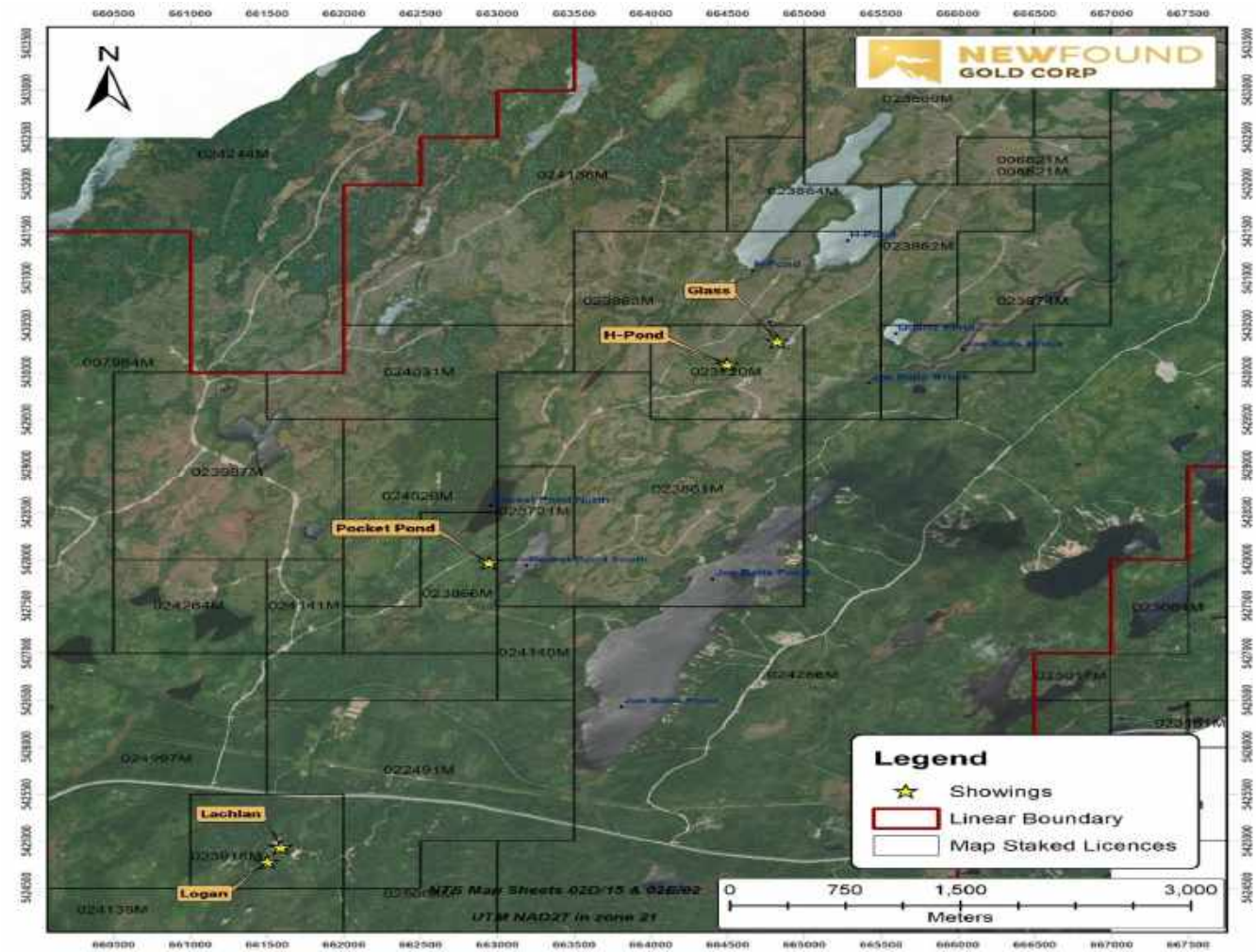


Figure 13 - Selected Prospects along the JBPDZ: NFG, 2018

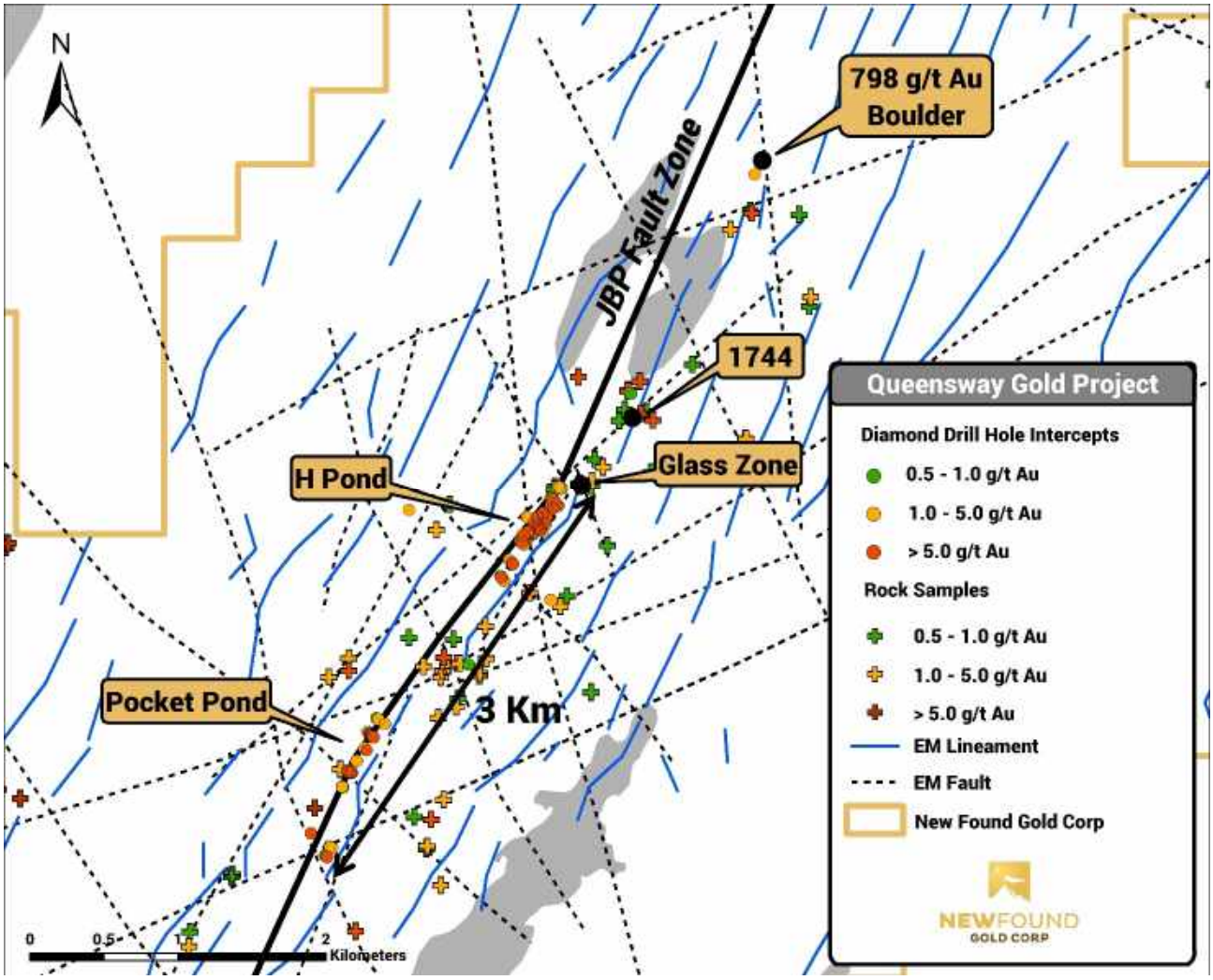


Figure 14 - Selected Assay Highlights along the JPBDZ. Source: NFG, 2020

H-Pond Prospect

The H-Pond Prospect is located along the trace of the "H-Pond" brook directly underlying the H-Pond brook quartz boulder train. Thirty-two diamond drill holes (totaling 5,765.2 metres) have tested the H-Pond mineralized quartz veins over a strike length of 800 metres and to a depth of 250 metres. The mineralization occurs in multiple, steep northwest dipping, northeast striking quartz veined zones.

The host to the quartz veining is a folded, variably altered, fine to very fine-grained mudstone/shale with slightly grittier siltstone sections. Cutting these deformed and altered sedimentary rocks are abundant quartz-veined zones on average about 5 metres wide but ranging from 1 to 24 metres in width. The veined zones contain on average about 25% quartz vein material. The veining typically consists of variably stylolitic, partly vuggy quartz-iron carbonate veins that contain visible gold in places. Approximately 50% of the veined zones contain individual veins greater than 20 cm thick, while 7% have veins more than 100 cm thick. The zones having the thicker veins also contain the majority of the higher gold grades. Many of the veins are folded and have variable orientations, though the majority trend northeast (040°). The veins have highly variable dips ranging from flat to vertical.

Accompanying the veining are finely disseminated pyrite, coarse granular pyrite and arsenopyrite porphyroblasts (up to 3cm), which often propagate along bedding planes. The porphyroblasts are locally zoned, having pyrite overgrowths around cores of arsenopyrite. In many places, the porphyroblasts have quartz-filled pressure fringes. Some of the finer pyrite appears to replace the iron carbonate granules. Sulphide contents reach a maximum of 15 to 20% marginal to the veins though rarely is there

greater than 1 to 2% combined in the veins themselves. Accessory minerals in the veins include iron carbonate, chlorite, sericite, dickite, talc, gypsum along with honey yellow to purple-grey sphalerite, chalcopyrite, galena, boulangerite, and locally visible gold. Visible gold was mainly observed near vein margins or immediately in the adjacent wallrock. The iron carbonate usually occurs along the vein margins as lathy crystals up to 2cm in length.

Much of the quartz veining is enveloped in a 50 to 75 metre wide, steep northwest dipping package of dark grey, strong sericite-iron carbonate speckled alteration. On the western (hangingwall) side the sericite alteration is more intense and the rock has been bleached to a creamy yellow colour. Some of the iron carbonate granules are locally rimmed or, in some cases, totally replaced by chlorite.

Significant drill intercepts include:

HP-04-01: 0.67 g/t gold over 44.45 metres including 12.39 g/t gold over 0.50 metres;

HP-04-03: 11.70 g/t gold over 3.40 metres including 16.27 g/t gold over 2.40 metres;

HP-04-04: 7.20 g/t gold over 2.60 metres including 8.73 g/t gold over 2.10 metres;

HP-05-09: 2.08 g/t gold over 3.75 metres including 9.02 g/t gold over 0.80 metres;

HP-05-11: 5.47 g/t gold over 2.35 metres including 6.91 g/t gold over 1.85 metres;

HP-05-15: 3.40 g/t gold over 3.80 metres including 9.79 g/t gold over 1.15 metres;

HP-06-29: 2.41 g/t gold over 4.80 metres including 6.58 g/t gold over 1.00 metres;

HP-06-35: 6.15 g/t gold over 2.30 metres including 12.29 g/t gold over 1.05 metres;

NFGC-19-05: 2.35 g/t gold over 11.0 metres including 6.73 g/t gold over 3.0 metres; and

NFGC-19-09: 4.39 g/t gold over 9.0 metres including 17.45 g/t gold over 2.0 metres.

Glass Prospect

A follow up to till sampling in 2017 by NFG resulted in the discovery of the Glass showing located northeast of the H-Pond brook and H-Pond prospect. Largely viewed as a possible parallel zone to the H-Pond prospect the Glass showing was excavated in 2017 and further expanded in 2018 along a roughly 150 metre strike length of the vein array. Mineralization at the Glass showing is very similar to mineralization intercepted in the historic diamond drilling at the H-Pond Prospect. Linear quartz veins with lesser amounts of iron carbonate range in width from 10-60cm and show boudinage habit along its strike and contain localized arsenopyrite, pyrite, boulangerite, magnesium oxide and visible gold. Alteration patterns at the Glass showing are of cryptic alteration halos of iron carbonate extending for 10’s of cm and lesser amounts of sericite along the vein margins.

Pocket Pond Prospect

The Pocket Pond Prospect, consisting of two significant quartz veined zones, is located under the waters of and immediately to the west of East Pocket Pond, approximately 2.0 to 2.5 kilometers southwest of the H-Pond Prospect. Fifteen drill holes (2,529 metres) have been completed at the Pocket Pond Prospect and the mineralization has been exposed in two surface trenches. Drilling has traced mineralized quartz veined zones over a strike length of 950 metres and to a depth of 250 metres.

The Pocket Pond mineralization is hosted by fine-grained altered metasedimentary rocks like at the H-Pond Prospect, although some sections are somewhat grittier (siltstone). Alteration and mineralization are quite similar to that at H-Pond, except that the veins locally contain up to 20% combined pyrite-arsenopyrite and, in places, have abundant gypsum, talc or dickite.

The steep west-dipping (60° to 70°), subparallel zones are approximately 8 to 16 metres wide, composed of 10 to 35% quartz vein material and are about 200 metres apart. The easternmost veined zone intersected by drill hole HP-04-07 was traced to 150 metres below surface by drill hole HP-05-28. HP-04-07 and HP-05-28 are the only two drill holes that have tested the eastern veined zone at the Pocket Pond Prospect.

Significant drill intercepts include:

HP-04-07: 6.63 g/t gold over 1.70 metres including 25.23 g/t gold over 0.40 metres;

HP-05-28: 5.37 g/t gold over 1.55 metres including 13.99 g/t gold over 0.55 metres;

HP-07-39: 1.89 g/t gold over 12.60 metres including 14.36 g/t gold over 0.50 metres;

HP-08-44: 12.43 g/t gold over 3.50 metres including 84.77 g/t gold over 0.50 metres; and

HP-08-48: 9.16 g/t gold over 14.2 metres including 255.0 g/t gold over 0.50 metres.

Lachlan/Logan Prospect

The Lachlan and Logan prospects were initially discovered in 2000 and 2017 respectively and likely represent the same zone of mineralization as they are separated by 10's of metres. This area of mineralization represents the most southerly known gold showing along the JBPDZ occurring south of the Trans-Canada highway. Three trenches have exposed this zone along a roughly 175 metre strike length; bedrock is variably iron carbonate altered siltstones and shales that are cut by a number of narrow (1-20cm) quartz veins which are north striking and steeply dipping. Locally visible gold has been noted along with significant concentrations of near massive arsenopyrite (clots to 15cm). The Logan showing was channel sampled in 2017 resulting in 5.0g/t Au over 0.5 metres, 5.7 g/t Au over 1.0 metre and 4.4 g/t Au over 1.5 metres. Channel sampling of the Lachlan zone in 2004 by Rubicon Minerals resulted in 8.5g/t Au over 1.0 metre.

GGS

The GGS claim group has witnessed significantly less exploration than the northern portion of the Queensway Project owing partly to the increased glacial cover and distance from major centres. There have, however, been a number of gold discoveries made through basic prospecting, soil and till sampling and surface trenching. Significant gold prospects in this area include the Greenwood Pond, Hornet, North Paul's Pond, Aztec, Goose, Road Gabbro and LBNL (Figure 15).

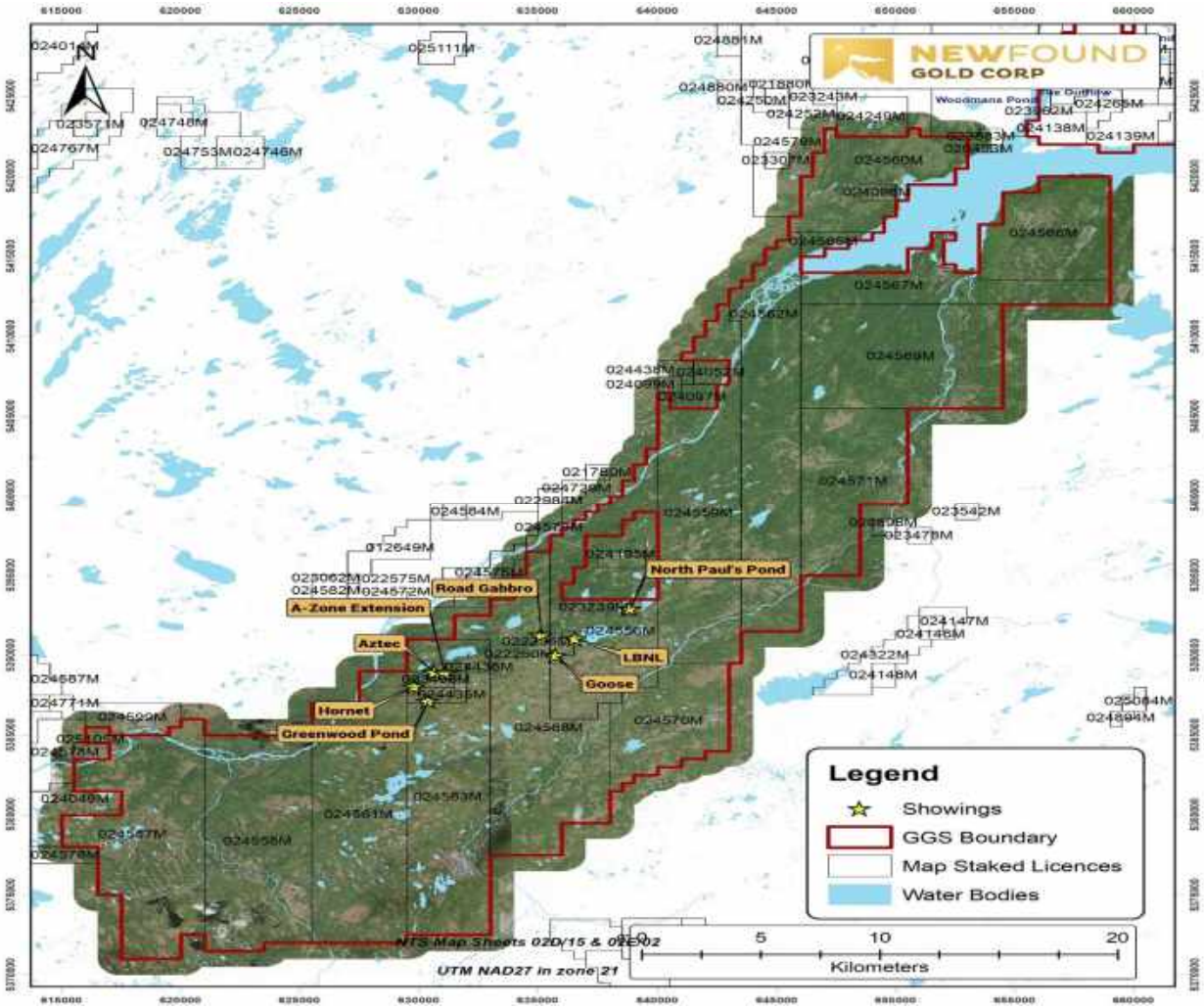


Figure 15. Selected Prospects along GGS. Source: NFG, 2018.

Greenwood Pond Prospect & Hornet Showings

The seven Greenwood Pond showings and the Hornet showing consist of altered gabbro with disseminated pyrite and typically <5 % arsenopyrite. It appears that the reported detailed locations for a number of the Greenwood Pond showings are incorrect since attempts to locate the Greenwood #4 to #7 trenches by Altius in 2012 were unsuccessful and NFG geologists tried to locate five of the six showings (except Hornet and Greenwood #1) in 2018 but could only locate Greenwood #2 which had been trenched and left open. Their proximal location is still valid however existing government datasets have misplaced their position and further field recognizances is required.

Gold grab sample assay results include:

Greenwood #1 - 1.8 g/t Au;

Greenwood #2 - 5.27 g/t Au and 23.2 g/t Au;

Greenwood #3 - 2.75 g/t Au;

Greenwood #4 - 1.9 g/t Au;

Greenwood #5 - 2.9 g/t Au;

Greenwood #6 - 3.09 g/t Au; and

Greenwood #7 - 1.5 g/t Au.

Channel sampling on the Greenwood #4 to #7 showings gave generally low Au values with two samples from mineralized gabbro giving 1.74 g/t Au and 1.09 g/t Au over 1.0 metre, and another in greywacke gave 1.2 g/t Au over 1.0 metres. These samples are not sourced to a particular trench or showing and give gold values only. The Hornet showing consists of small, 1-2 cm, quartz-pyrite stringers with vuggy quartz veins in a silicified, fractured and brecciated felsic unit which gave grab sample values to 23.2 g/t Au, and a channel sample that gave 2.86 g/t Au over 1.0 metre. No drilling is reported on either the Greenwood Pond or Hornet showings.

North Pauls Pond Prospect

The North Pauls Pond prospect consists of quartz veins exposed in trenching, at least 1 metre thick with Au grab sample values of 10.86, 8.96 and 5.24 g/t. Quartz veins with 10-20 % patchy to semi-massive stringers of arsenopyrite are hosted by black, strongly foliated, and possibly tightly folded, fine-grained, Davidsville group siltstones. The highest-grade mineralization is associated with a combined IP/chargeability anomaly and a cluster of angular, gold bearing quartz vein floats that gave grab sample values to 15.25 g/t Au.

The prospect was diamond drilled in 2005 with six holes (1,962m). Significant gold drill intercepts include:

PP-05-01 - 0.58 g/t Au over 0.55 metres in a broader interval of anomalous gold mineralization;

PP-05-02 - 2.1 g/t Au over 0.20 metres and 2.1 g/t Au over 0.55 metres; and

PP-05-06 - 7.1 g/t Au over 0.35 metres and 4.3 g/t Au over 0.50 metres.

Aztec Prospect

The Aztec Prospect and A-Zone extension prospects occur as epithermal-style quartz veins in an alteration system associated with the fault contact between the Davidsville group and Indian Islands Group. Mineralization consists of low-grade gold values which has been trenched and tested with six diamond-drill holes, and has been traced along strike for approximately 330 metres. The Aztec prospect alteration is believed to be developed in the structural footwall of a fault zone and is comprised of silicified, pyritic conglomerate or breccia. Gold mineralization typically carries <1 g/t Au and is associated with conglomerate. Trench grab samples gave assay values in the 1.01 to 1.03 g/t Au range. The “hydrothermal breccias” exposed on surface, exhibit multiple phases of brecciation and pervasive silicification, with concentric chalcedony rinds, over a thickness of approximately 10 metres. Below the hydrothermal breccia, and structurally beneath the possible sinter is an approximate 70 metres thick zone of variably developed argillic alteration in fine-grained siltstone/sandstone. The alteration intensity appears to decrease away from the structural contact. The alteration zone has a strike length of 330 metres, and a width of 100 metres with a shallow dip to the northwest.

Six drill holes (575 metres) tested the mineralized zone over a 300 metres strike to a depth of <50 metres. Significant Au drill intercepts include:

AZ-88-01 - 0.40 g/t Au over 2.0 metres including 0.61 g/t Au over 1.0 metres;

AZ-88-02 - 0.95 g/t Au over 0.7 metres; and

AZ-88-06 - 0.52 g/t Au over 3.6 metres including 1.27 g/t Au over 0.6 metres.

At the A-Zone extension which is parallel to and 500 metres to the east of the Aztec zone, a series of trenches exposed an approximately 30 metres thick, pervasively chloritized, locally potassic-altered, greywacke unit in siltstone cut by thin, discontinuous, extensional quartz-carbonate veins and veinlets carrying arsenopyrite/pyrite. The mineralized zone has a strike length of approximately 250 metres with trench channel samples giving Au values of 2.6 g/t Au over 7.0 metres and 1.0 g/t Au over 13.0 metres. No drilling is reported to have tested this zone.

Goose Prospect

The Goose Prospect was discovered by Noranda during follow up of float boulders with Au in grab sample values up to 42.1 g/t Au. It is hosted by weakly deformed, grey-green, massive sandstone, limonitic sandstone and green chloritic siltstone of the Davidsville group, with patchy silicification associated with 1-2 cm milky white quartz veins and veinlets. The mineralization is arsenopyrite, pyrite and pyrrhotite as fine to coarse patches in the quartz veins and as disseminations (up to 10%) in the wall rock. The prospect is classified as an arsenopyrite rich quartz vein style of mineralization. Noranda determined that the mineralization was regular along strike, trending at 055°, dipping moderately to the NW, and varying from 2 to 10 metres (average 3 metres) thick over a strike length of 180 m, remaining open along strike and to depth. It was tested by 7 trenches and 8 drill holes over a 100 metres strike length with four diamond-drill holes (291.1 metres) in 1988 and 4 DDH's (572 metres) in 2004. - Significant gold drill intercepts include:

GZ-88-01 - 3.14 g/t Au over 2.5 metres;

GZ-88-02 - 7.54 g/t Au over 1.0 metres, 1.64 g/t Au over 2.8 metres;

GZ-88-03 - 0.93 g/t Au over 9.8 metres including 1.89 g/t Au over 1.1 metres; and

GZ-88-04 - 0.76 g/t Au over 3.0 metres including 1.4 g/t Au over 1.0 metres.

The 2004 drilling found that gold mineralization was in narrow high grade to wide anomalous intervals such as:

PP-04-01 - 15.68 g/t Au over 0.8 metres, 1.22 g/t Au over 1.11 metres, and 2.14 g/t Au over 1.62 metres;

PP-04-02 - 0.30 g/t Au over 9.45 metres; and

PP-04-04 - 2.14 g/t Au over 0.6 metres.

Road Gabbro Showing

The Road Gabbro showing is hosted in the Botwood Group, close to the Davidsville group contact. The outcrop consists of gabbro with quartz veins carrying pyrite and minor visible gold, which intrude siltstones and shales of the Botwood Group. It was trenched and channel sampled with a select Au assay value of 2.24 g/t Au over 1.0 metres which included visible gold. A grab sample from a chloritized gabbro boulder, with pyrrhotite, silicification and quartz veining, from the rubble piles from the trenching, gave an assay value of 25.4 g/t Au. There has been no reported drilling at this showing to date and it remains largely untested.

LBNL Showing

The showing consists of narrow quartz-arsenopyrite veins in a silicified granitic intrusive. It was discovered in follow up of a soil sample value of 3230 ppb gold. Arsenopyrite forms coarse patches in the veins and sometimes mantles the vein margins. Two of five trenches gave assays >1 g/t Au - LB 02, chloritized greywacke and gabbro - 1.36 g/t Au over 1.0 metre and LB 03, sericitized greywacke with quartz veins - 1.80 g/t Au over 1.0 metre. Angular, pyrite/arsenopyrite bearing, sericitic altered greywacke float, located near the showing gave values of 1.27 and 5.18 g/t Au from six grab samples. No drilling is reported to have tested the showing.

Geological Model

The gold showings in the Queensway Project area are thought to have been introduced during the main D_1 deformation event and emplaced in sedimentary rock through quartz veining associated to tight folds and high strain zones. In the northern portion of the Queensway Project, the subsequent D_2 deformation event did not modify significantly the geometry of the stratigraphic sequence and mineralization, though local offsets have been documented.

D_1 deformation consisted in a major NW-SE shortening episode resulting in intense flattening, accompanied by tight folding and SE-verging thrusting. Late stage of shortening included dextral transpression resulting in the development of NE-trending faults. Relative crosscutting relationships between auriferous veins and such structures suggest gold mineralization occurred prior as well as synchronously to this change in strain orientation.

D_2 deformation induced minor NW- to NNW-trending kink banding, faulting and folding with no significant effect in the northern portion of the Queensway Project. To the south, geophysical data suggests D_2 structures progressively change orientation to a more WNW trend and are more prominent. However, further investigation is required to determine the extent to which they affect older geological features.

Gold showings in the Queensway Project are interpreted to be epizonal, epigenetic, sedimentary-hosted orogenic gold mineralization (Figure 16). They display characteristics similar to that of other mesothermal gold occurrences such as Meguma, in Nova Scotia. Gold is thought to have been introduced during the main deformation event and emplaced in sedimentary rock through quartz veining associated to tight folds and high strain zones. Conjugate sets of fault-fill and extensional veins formed with an associated carbonate hydrothermal alteration halo, similar to what is described in other contexts.

With respect to models for gold mineralization, gold was likely sourced from sedimentary rocks at depth, in which metamorphic breakdown of pyrite to pyrrhotite released sulphur and trace metals contained in pyrite. The presence of mudstone horizons with disseminated pyrite in the Hunt's Cove and Outflow Formations, as well as, locally, decimetre-size pyrite nodules supports such hypothesis. The presence of sulphide minerals indicate gold likely was mobilized by a gold-sulphur complex; however, the low sulphide content of auriferous veins suggests poor reactivity of the host rock with mineralising fluids. This also accounts for the moderate to weak alteration intensity around the veins.

Crosscutting relationships between auriferous structures and other geological features suggest gold precipitated over a single mineralizing event. Mineralization took place syndeformational- to late-D_1 deformation, and no evidence was documented that would argue for D_2-related mineralization or remobilization of gold.

No evidence of local intermediate to felsic intrusion has been documented. This includes dykes crosscutting the stratigraphy or any type of geophysical anomaly that could be related to the presence of an intrusion at depth. Consequently, it is interpreted that there is no genetic link between gold mineralization and magmatism in the area.

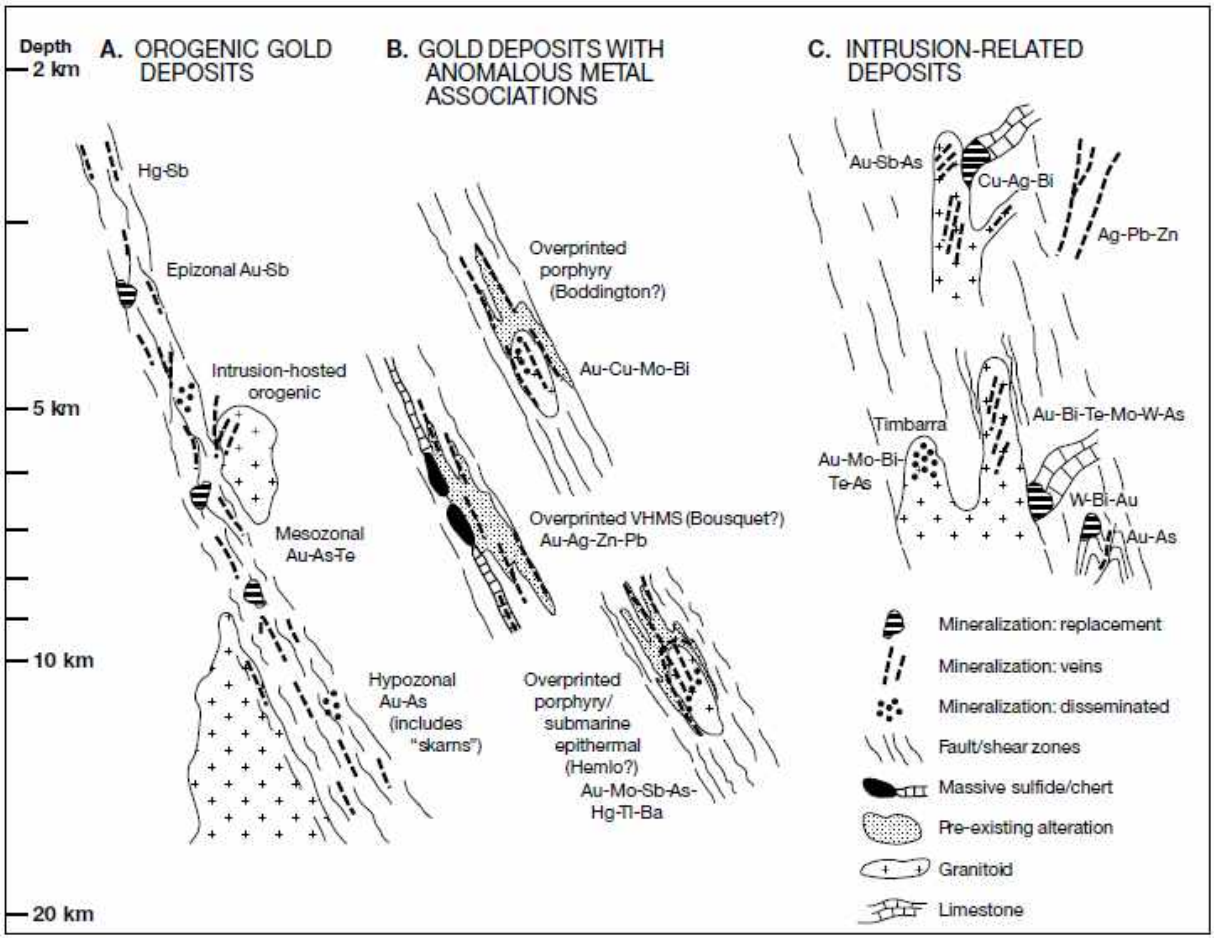


Figure 16. Continuum model for orogenic gold deposits (from Groves et al., 2003 in Goldfarb et al., 2005). Data suggests the Queensway Project belongs to the epizonal Au-Sb category.

Figures 17 to 20 below show a visual comparison of the mineralogy, texture and genetic character of mineralized drill core from the Keats showing to the Fosterville Mine in Victoria, Australia. In particular is the comparison to the epizonal type of orogenic deposits.

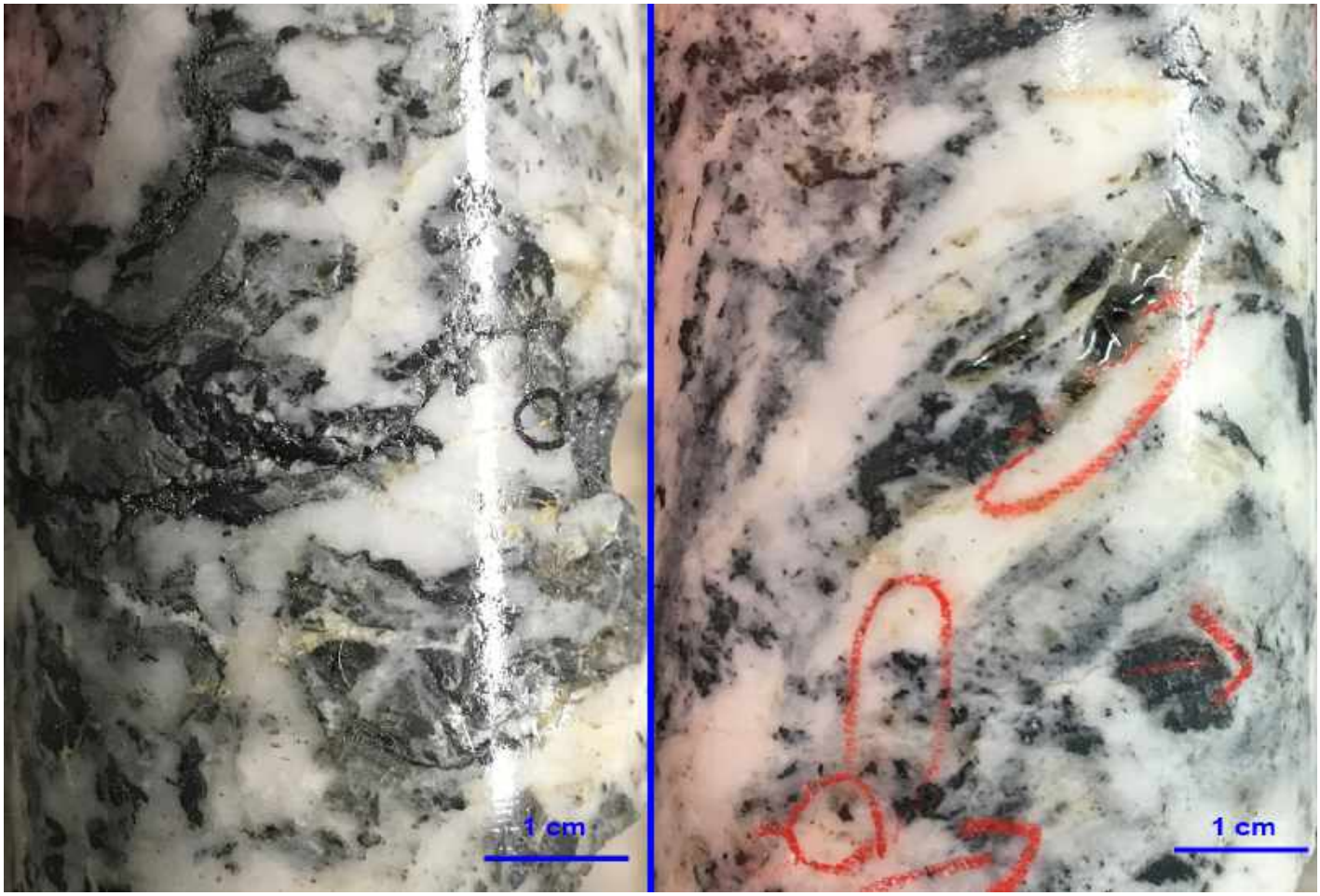


Figure 17. Left, drill core from the Keats zone (NFGC-19-01), Queensway Project; right, core from the Eagle zone, Fosterville Mine. Comparison of intense quartz stock work with relict black shale fragments from each deposit. Specks of visible gold are present in quartz veins and their selvages. Gray patches contain fine grained antimony sulfides, boulangerite on left and stibnite on right. Source: NFG.

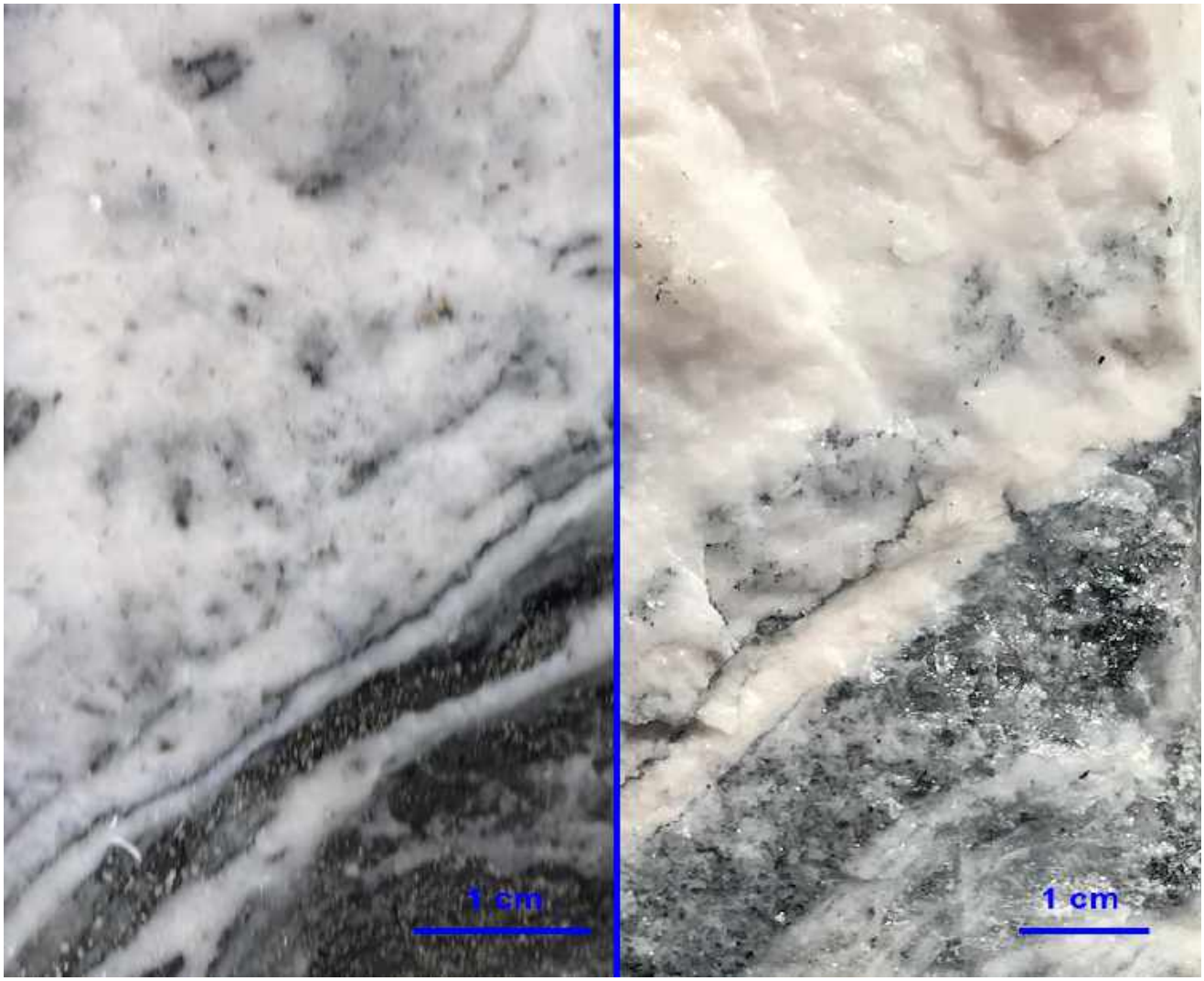


Figure 18. Left, drill core from the Keats zone (NFGC-19-01), Queensway Project; right, hand specimen from the Eagle zone, Fosterville Mine. Comparison of quartz veining displaying relict banding from each deposit. Dark material at the bottom is relict shaley material. Such banding in is probably an original texture resulting from open space filling of quartz sulfides and gold at the time of deposition. Open space filling is indicative of a shallow level of deposition for both deposits. Source: NFG.

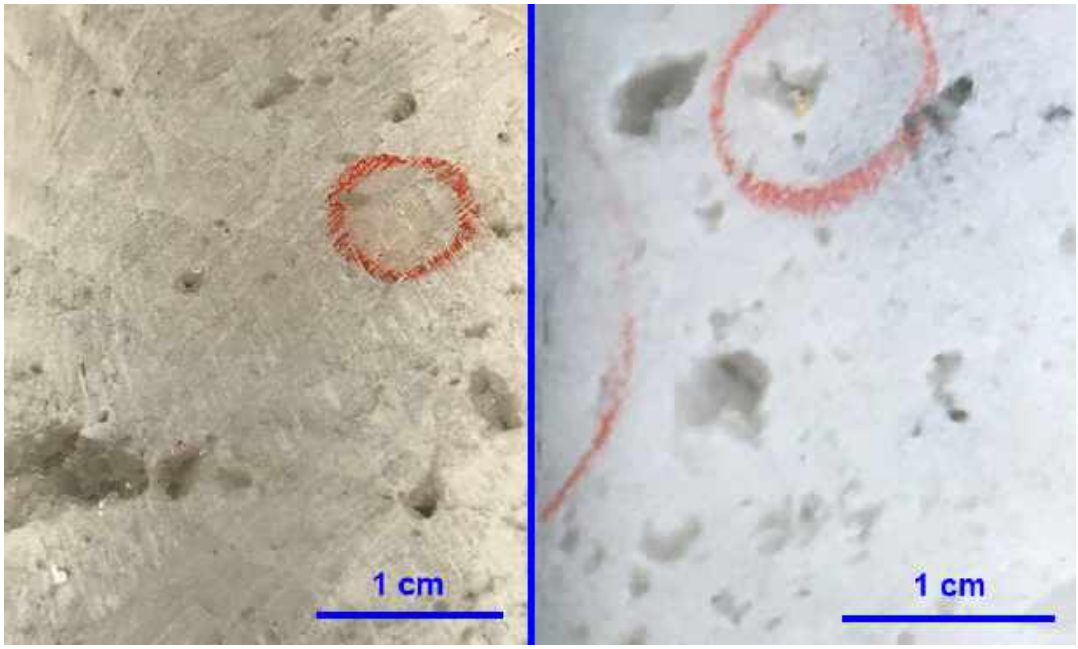


Figure 19. Left, drill core from Keats zone (NFGC-19-01), Queensway Project; right, core from the Eagle zone, Fosterville Mine. Comparison of vein quartz displaying numerous vugs, or small cavities, lined with quartz crystals from each deposit. Native gold is also visible in each sample. Such open space cavities are indicative of a shallow level of deposition for both deposits. Source: NFG.

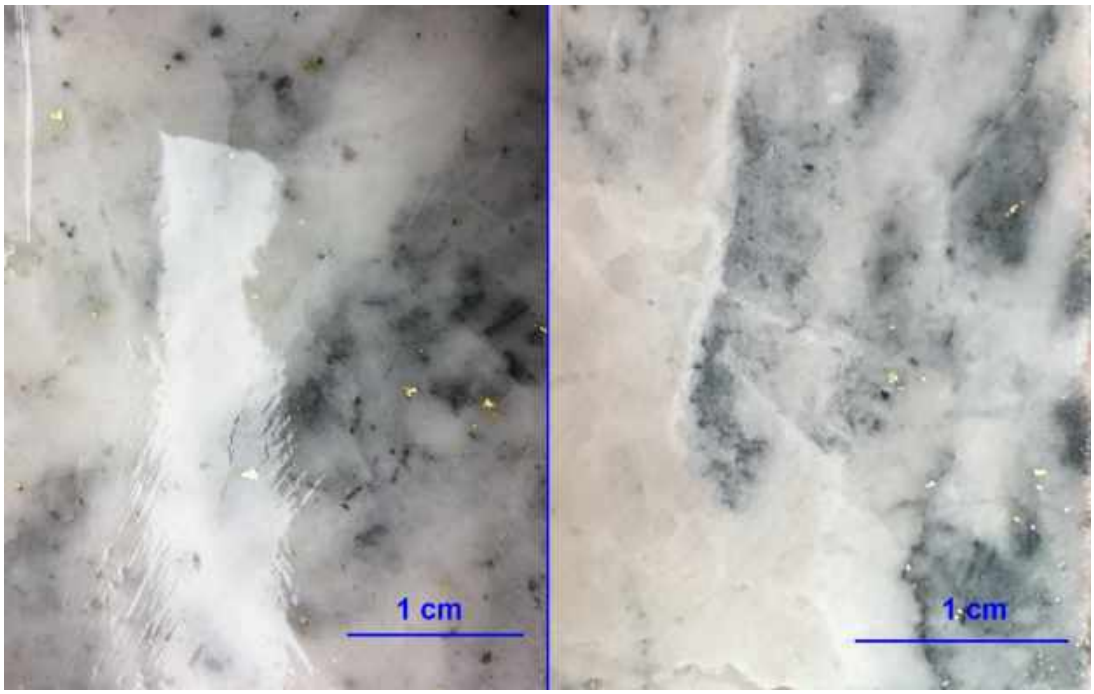


Figure 20. Left, core from Keats zone (NFGC-19-01), Queensway Project; right, core from the Eagle zone, Fosterville mine. Comparison of gray and white quartz vein material with numerous small specks of native gold from each deposit. Grey specks are mostly antimony minerals, boulangerite on the left and stibnite on the right. Some gray flecks are particles of black shale caught up in quartz. Such fine gold particles likely formed through rapid precipitation of gold in a shallow epizonal regime within an orogenic system, an indication of a shallow level of deposition for both deposits. Source: NFG.

Exploration

Exploration on the Queensway Project in 2017 targeted gold mineralization using the following exploration methods: regional and detailed prospecting, geological evaluation of the GGS and GGN areas, trenching and associated geology including a structural study of the trenched areas, a drone survey over the Queensway Project, 798 and Glass trench areas on the JBPDZ and a preliminary interpretation of the airborne geophysical survey carried out in the early summer of 2017. The regional prospecting covered the GGS and TP areas while the detailed prospecting, trenching and drone survey was carried out on the GGN properties. Exploration in 2018 continued additional interpretation of the geophysical data, a significant regional till sampling program, a detailed structural geological survey, soil surveys, regional prospecting and surface trenching. As of December 31, 2019, total exploration expenditures by NFG at the Queensway Project exceed $2.1 Million as defined below.

2019 Exploration Program	
Diamond Drilling	$565,000
2019 Total:	**$565,000**

2018 Exploration Program	
Till Sampling	$177,254
Till Geochem Testing	$22,932
LandSat Imagery	$45,495
Structural Study	$159,545
Prospecting	$150,000
Analytical testing	$55,185
2018 Total:	**$610,411**

2017 Exploration Program	
Prospecting	$144,661
Analytical testing	$33,440
Trenching	$99,557
Drone Imagery	$4,428

Geophysical survey	$696,835
Geophysical interpretation	$13,900
Structural interpretation	$3,300
2017 Total:	**$996,121**

2016 Till Survey - JBPDZ

In November, 2016, NFG contracted Overburden Drilling Management ("**ODM**") to collect 59 samples of oxidized, C-horizon till from hand-dug shovel pits on a portion of the property that overlies the auriferous JBPDZ Trend. The till samples were analyzed to allow for a detailed study of their composition.

The objective of the program was to detect and delineate gold-grain dispersal trains emanating from undiscovered Au-quartz veins of potential economic significance.

The Queensway Project is extensively covered by a veneer of locally derived glacial till deposited by ice flowing northward from the center of the Newfoundland Ice Cap. The ice flow direction on the property was 020°, subparallel to the underlying stratigraphic and structural trends.

The till excavated from each pit was roughly hand screened into a pail on site at 8 mm to remove most of the large clasts. Approximately 13 kg of the sieved -8 mm fraction, along with a representative handful of the +8 mm pebbles, was packed in a heavy-duty 30 x 50 cm plastic bag sealed with a cable tie. Each sample site was logged, describing its topographic setting, the location and geology of the nearest rock outcrop, the physical characteristics, pebble lithologies and quality of the till and the depth to which the till was sampled.

The till samples were processed by ODM using procedures which are designed specifically for extracting gold grains and a suitable analytical fraction from samples of oxidized till collected at surface. The weights of all derived sample fractions are recorded together with observations on the physical characteristics of both the samples and any recovered gold grains.

Before processing the samples, a representative 500 g split (~400 g after drying) was removed from the sample and reserved for geochemical analysis. The remaining bulk sample material was wet screened at 2.0 mm and a primary -2.0 mm table concentrate was prepared. Geological observations on the character of the sample were made during both the screening and tabling operations.

The concentrates obtained by tabling are purposely large (typically 300-400 g) and of low grade (10- 25% heavy minerals) in order to achieve a high, 80 to 90 percent recovery rate for every useful indicator mineral of specific gravity ("SG") >3.2 irrespective of its grain size. Any contained gold grains, which by nature are mostly silt-sized, are separated from the table concentrates by micropanning and are counted, measured and classified as to degree of wear (i.e. distance of glacial transport). The relative abundances of any sulphides or similar indicator minerals or metallic contaminants are also estimated, and the expected gold assay value of the contained gold grains is calculated.

A representative, ~250-300 g subsample of the reserved 500 g split was dry sieved to produce a -0.063 mm silt + clay fraction of sufficient size for geochemical analysis. The sieving was done to completion, i.e. until no more material passed through the sieve, not just until the 30 g of fines normally needed for geochemical analysis were obtained. The samples typically yielded 15 to 30 percent fines. The unused portion of the 500 g split and the +0.063 mm fraction of the sieved portion were archived.

2016 Till Survey – Results

The gold grain content of the till is effectively anomalous over the entire 1.5 x 5 km survey area and the gold background could not be established. The counts ranged from 19 to 1744 grains and averaged 127 grains per sample. Forty-nine samples – 83 percent – yielded gold counts >40 grains including 24 samples – 41 percent – with >100 grains and 3 samples with >300 grains. Approximately 70 percent of all gold grains are pristine to partly modified indicating that most of the gold has been transported <1 km and thus is derived from multiple sources. However, the proportion of pristine + modified grains is highest at the up-ice end of the sampling area, averaging 83 percent on the most southerly traverse and, conversely, the proportion of reshaped grains is highest at the down-ice end, averaging 57 percent in the samples clustered around the 798 Boulder prospect. The increase in reshaped morphologies down-ice indicates that the gold sources are concentrated toward the up-ice end of the survey area.

The overall anomaly was evidently produced by: (1) a plethora of small, auriferous quartz veins (i.e. Bendigo-type veins) that were sufficiently exposed during glaciation to contribute a significant amount of gold to the till; and (2) the mineralized trend being parallel to the 020° ice-flow direction.

2017 Airborne Survey – CGG Canada Services Ltd.

The airborne report by CGG Canada Services Ltd. describes the logistics, data acquisition, processing and presentation of results of a HELITEM35C electromagnetic magnetic ("**EM**") airborne geophysical survey carried out between May 12 and June 9, 2017, for NFG, over two blocks near Gander, Newfoundland. The purpose of the survey was to map the geology and structure to assist in detecting zones of gold accumulation. Data was acquired using a HELITEM35C electromagnetic system, supplemented by a high-sensitivity cesium magnetometer. The data was processed to produce images that display the magnetic and conductive properties of the survey area. A GPS electronic navigation system ensured accurate positioning of the geophysical data. The survey was flown in two areas, one included the GGN and GGS claim groups, and the other covered the Twin Ponds claims. Line spacing was 200 metres in an east-west direction with control lines (tie-lines) of 2 km spacing in a north-south direction, at a terrain clearance of 70 metres. A total of 5311.9 line km was surveyed. The HELITEM35c comprises a MULTIPULSE system configuration transmitting in two pulses – the half sine pulse and the square pulse with the square pulse gates providing information from the near surface and the half sine providing information at depth. A preliminary interpretation of the results of the survey, both the EM and magnetics by Brenda Sharpe, P.Geo. a consulting geophysicist is summarized below. See Figure 21 below for the magnetic-EM composite of the 2017 airborne survey.

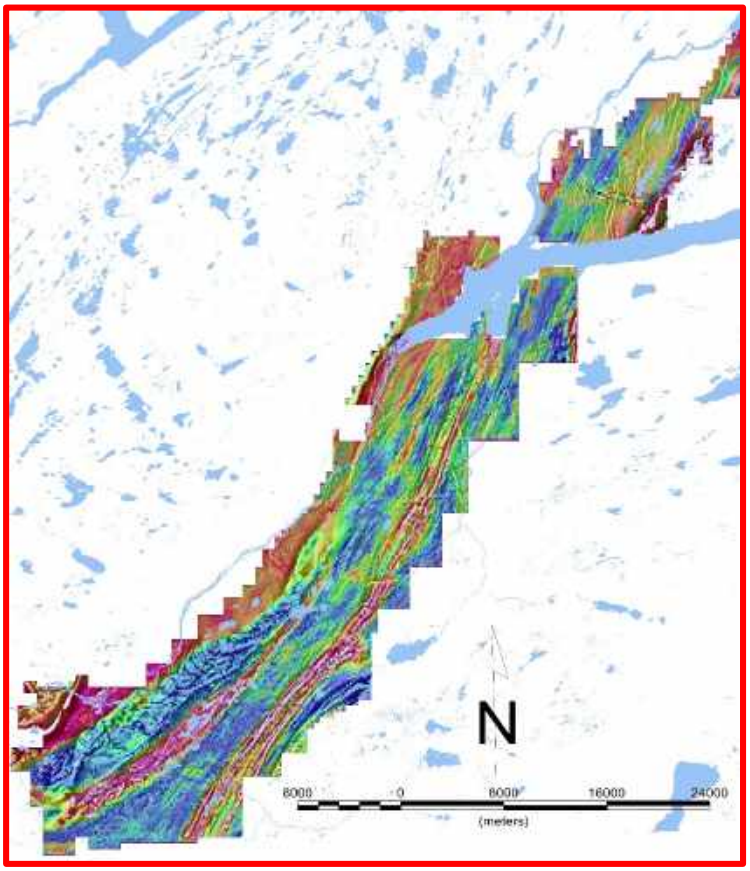


Figure 21. Magnetic-EM composite of the 2017 CGG airborne survey. Source: GoldSpot Discoveries 2018

2017 Airborne Survey – Initial Results

Magnetic Data

The Gander area is magnetically quiet except for the regions of magnetic material, and extensive narrow magnetic trends, mainly associated with ultramafic units. The magnetic character follows the general geology NNE-SSW-NE-SW. Cross cutting magnetic features are noted striking NNW-SSE. Culture from the major roads and powerlines is also noted.

NNE-SSW-NE-SW trending, narrow, features, of approximately 10 nanoteslas, occur along the length of the survey, which may reflect mafic units in the Davidsville formation. The Mount Peyton Batholith to the west, just touches the western edge of the survey and is characterized by an increased magnetic response.

The north-eastern edge of the survey is characterized by strong magnetic response indicative of the mafic/ultramafic material in the GRUB Line aligning with the Weir Pond Formation of the Davidsville group.

In the southern half of the survey the boundary between the Hunts Cove and Outflow formations of the Davidsville group, shows clearly in the magnetic data, marked by a possible fault and extensive narrow magnetic features. Further to the north, the overburden likely becomes thicker and the signatures are considerably reduced. The boundary between the Indian Islands Group which has a strong magnetic response and the Outflow formation shows in the south but becomes increasingly disguised to the NE.

The magnetics on the Twin Ponds block, to the NW, clearly shows the boundary between the Ten Mile Lake Formation and the Mt. Peyton Intrusive Suite.

EM Data

Like the magnetic data discussed above, the general overall fabric trends NNE-SSW-NE-SW. Like the magnetic data, the roads (culture) show up clearly. Strong conductors correlate with Weir Pond formation of the Davidsville group to the east, likely related to the mafic to ultramafic material of the GRUB Line.

In the northern section of the survey, the AFZ, shows a strong contrast with more conductive material to the west and resistive material to the east. Further to the east, along the JBPDZ, conductivity increases to the east, and this continues to the east to a narrow resistive band just to the west of the boundary of the GRUB Line.

To the south of Gander Lake, extensive NNE-SSW sequences of conductive/moderately conductive and resistive material occur in the Davidsville group, continuing to the southern extent of the survey area. In the southern part a series of extensive, very conductive, zones are noted in the Davidsville group, one set flanking the boundary between the Outflow and Hunts Cove Formations, the other near the boundary between the Hunts Cove Formation and Indian Islands Group. Another conductor lies along the western survey boundary in the south and marks the boundary between the Indian Islands Group and a siliciclastic conglomerate of Early Devonian to Pennsylvanian age. Further north this conductor, which trends NE-SW, correlates with the Davidsville/Indian Islands boundary.

The Twin Ponds block to the northwest, is generally weakly conductive with stronger conductive features striking NNE-SSW along the boundary between the Duder Group and the Ten Mile Lake Formation.

2017 Preliminary Airborne Geophysical Interpretation - Results

DTM - Obvious trends in the digital terrain ("**DTM**") are lineaments aligned NNE-SSW and a single one aligned NW-SE, where the western most NNE-SSW trend (the AFZ) and the NW-SE trend meet in the vicinity of the Appleton Road, Dome and Lotto showings. Therefore, if any favourable magnetic or EM features lie at similar intersections these could be areas of potential interest. A NE-SW fault if projected further to the southwest would also extend into this region. Other less obvious trends can be identified, also striking NW-SE as well as near NS and NE-SW/ENE-WSW. Faults determined from the topography are likely to be recent and/or reactivated. If these correspond with the later time EM (i.e. with depth) and large-scale magnetic trends – these may be older or are likely to be reactivated.

Magnetics - Overall the magnetic data is flat with the major narrow magnetic highs (brighter) likely mafic dykes or edges of mafic sills. The magnetic expression over this region is quiet apart from the GRUB Line ultramafic rocks and the narrow, short strike length mafic dykes and sills. This makes defining faults significantly more difficult and means potential structures will need to be defined from not only the magnetic data but also the DTM and EM information.

Electromagnetic - The general character is that conductive material flanks both sides of the area. To the east lie a series of NNE-SSW trending west dipping conductors, in the Gander River Complex, and to west the survey flanks the boundary between siltstone and shale (eastern side of boundary – Hunts Cove Formation) and greywacke with siltstone (western side of boundary – Outflow Formation) of the Davidsville group. The Outflow Formation appears to extend further to the east than shown on the mapped geology, with a new boundary drawn on the interpretation map.

A change is also noted in the Hunts Cove from west to east with the western half of the Hunts Cove quite resistive with zones of even lower response, striking NNE-SSW, that may be more resistive bands, airborne induced polarization ("**IP**"), or even the axis to a dipping feature. This marked change in the EM conditions was also seen in the Fugro DIGHEM survey data. The EM data also indicates zoning in the Hunts Cove Formation and shows many NNE-SSW trends. The eastern half of the Hunts Cove is slightly more conductive possibly related to a topographic low in the area. However, the EM responses dissipate by the later time B-field. An ENE/NE fault which offsets the EM dextrally is seen in the dB/dt and B Field, early time square pulse data, but disappears quickly, suggesting this is a recent occurrence. In the more slightly conductive zone, a few features occur indicative of slightly stronger (sometimes dipping) conductors. The character of these are similar to the EM response over the Outflow formation but with less amplitude, and they dissipate more quickly. Like the western part of the Hunt's Cove, NNE-SSW lineaments look like resistors/IP effects trending through the area. Between the eastern conductive zone and the GRC the data returns to the more resistive nature as seen on the western side of the Hunts Cove Formation. The faults derived from the EM data show good correlation with the ground geophysics surveys in that many of the proposed faults offset the IP trends outlined in the survey report.

2018 Geophysical Interpretation-2017 Airborne Survey

Overview

Geophysics is important in the regional understanding of the geology and the gold mineralization but has not yet been of much use in defining or locating gold mineralization. Magnetics show a low magnetic response over the Davidsville group that is overshadowed by very high magnetic responses from the GRUB Line to the east and the Dog Bay Line to the west. Due to this the magnetics are of limited use in defining structure in either the GGN or GGS. The electromagnetic survey has also been of limited use in defining targets for follow up although it helps with the understanding of the geology in both the GGN and GGS. Both the magnetics and EM on the Twin Ponds area of the Queensway Project have been useful in defining geological units and also the structure although no significant gold zones have yet been located.

GGN

Most of the magnetic survey data, especially in the northern regions, shows a quiet magnetic background consistent with the mapped siliciclastic marine sediments of the Davidsville group, and NNE-SSW / NNW-SSE trending narrow magnetic features attributed to low-angle mafic dykes intruding the Davidsville group. The GRUB Line is obvious along the northeastern edge of the geophysical survey as a strong magnetic signature with associated EM zones / lineaments. Later NW-SE striking dykes are located in the Davidsville group close to the GRUB Line.

The magnetic data has been "upward continued" to identify areas of low magnetic intensity, possibly associated with gold mineralization, which are not easily identified in a magnetically quiet environment. It identifies several NNE trending areas of slightly lower magnetic intensity, including the Lotto, Letha, Grouse, H-Pond and Pocket Pond showings, and other areas between the AFZ and JPBDZ not yet explored.

Given the mostly low amplitude response of the magnetic data, structural features have been defined using upward continued magnetic grids, offsets and truncations in dykes and the EM data. The major structural directions determined from the geophysical data is NNW-SSE, NE-SW (dextral), NW-SE and N-S. The magnetic response from culture (a powerline) along the TCH is clearly identified crosscutting the survey.

Similar to the magnetic data, the EM response is relatively weak, with a fabric striking at 030 degrees. The weakly elevated background EM response is attributed to slightly more conductive material in low-lying areas. In a west to east direction, the units are more resistive closer to the AFZ and with an "abrupt" change in elevation (from 100 metres to 70 metres) closer to the JBPDZ, the EM is slightly more conductive. Variations in the data do not always directly correlate with changes in elevation – these may indicate changes in lithology.

Stronger conductive responses are noted immediately to the west of the AFZ and associated with the GRUB Line. The EM data also identified numerous lineaments, with several associated with mineralized areas. The lineaments have an unusual signature possibly an IP response, which may be due to clays, graphitic argillite or alteration. In the interpretation of the EM data, no differentiation has been made between conductive anomalies and potential airborne IP effect zones since along their length, these features can change geometry, appearing as either a conductive or airborne IP anomaly. Where strong and/or isolated IP effects exist, they have been labelled separately in the interpretation layers.

GGS

The magnetic fabric becomes more visible in the GGS and increases to the south. On the western geophysical survey boundary, a mafic unit is attributed to the Mount Peyton Intrusive Suite, and on the eastern survey boundary, the increased magnetic response may be part of the GRC.

An extensive gabbroic unit, striking NE-SW located in the south-central part hosts the Greenwood Pond showings. The unit may be folded and sheared along the fold axis with a strike of NE-SW. This unit is extremely disrupted and crosscut by multiple (proposed) structures and most of the showings occur in areas of reduced magnetic intensity, likely reflecting structures or alteration zones.

Extensive weak to moderate magnetic zones striking at 034 degrees in the south and 024 degrees in the north, lie in the south-central area of the survey and near the eastern survey boundary. The eastern magnetic zone, which approximately correlates with the mapped contact between the Outflow Formation and Hunts Cove Formation of the Davidsville group, is comprised of several narrow, close spaced magnetic lineaments coincident with formational EM conductors. The central zone is weaker than the zone to the east, and is adjacent to a formational conductive zone, rather than coincident, perhaps indicating that 7.5F and

7.5G are limbs of a NE-SW striking fold. Parallel with the eastern 7.5G zone on licences 24570M and 24568M, on the survey boundary is a unit of alternating mafic and felsic material judging by the magnetic signature with the IP zones correlating with the more felsic material.

Along the western survey boundary, between the Mount Peyton Intrusive Suite mafic units and the gabbroic unit, is a non-magnetic unit which corresponds with a weak to moderate conductive zone which may be part of the Indian Islands Group or Ordovician black shale.

The previously mapped Bear Pond Gabbro lies in a magnetically quiet area, with the response more consistent to that of a sedimentary unit. From the magnetic response, the Great Bend Ophiolite is more extensive than mapped and is possibly folded along a NW-SE axis, as is the southern extent of the gabbroic unit.

The GGS is structurally complex with major structures following the geologic fabric, striking 025 to 040 degrees, and other structures trending subparallel to the Gander River at 060 degrees showing dextral offset, and 095 to 125 degrees, also with dextral offsets, occurring throughout the area. Less commonly approximately 170-180 degrees structures are identified.

The combination of the magnetic and EM data produces a slightly different geologic scenario especially in the southern GGS area. The (proposed) gabbroic unit is essentially along the mapped contact between Indian Islands Group and Davidsville group, and the contact seems to lie closer to the western survey boundary than previously mapped. Likewise, if the extensive eastern magnetic / conductive zone marks the transition between the Outflow Formation and the Hunts Cove Formation, then the contact is approximately 2 km further to the west in the northern part of the GGS area than what was previously mapped.

Twin Ponds

Unlike the GGN area, the magnetic data over the Twin Pond properties shows an elevated magnetic background. The mapped geology suggests that the major lithologies are the Ten Mile Lake formation (“**TMLF**”), the Duder Group (“**DG**”) melange / Badger Group (“**BG**”) and Mount Peyton Intrusive Suite mafic intrusives and these contacts are clearly identifiable in the magnetic data. In addition, a strongly magnetic unit striking NE-SW / NNE-SSW, adjacent to the Reach fault may an extension of a mapped mafic unit located to the northeast along the boundary of the claims. Two sets of dikes are mapped in the TMLF – NE/SW and NW/SE. In the DG/BG the dikes strike closer to a N-S direction, with a few of the NW/SE dikes intruding the units, suggesting these dikes are from a more recent swarm.

The EM data over most of the area is quite resistive, showing little response in the TMLF, except for a strong airborne IP response in Twin Pond itself, which is likely due to a build up of clay / lake bottom sediments. A weak conductive zone is noted at the contact between the DG and TMLF. It exhibits a dip response in the southern part of licence 24270M. To the north of a proposed NW-SE structure, which extends through Twin Pond, the zone is more conductive. Two near NW-SE striking conductors are confined between structures that parallel the Reach Fault. Two other conductive zones strike sub-parallel to the Reach Fault and where they intersect to the north is close to the Clydesdale showing. A weak conductive zone located along a probable structure trending NNW-SSE, if extended to the northwest, would intersect the T-Rex showing. There is no obvious correlation between the magnetic signatures and the locations of the showings.

Several major structural directions are defined, NNE-SSW (Reach Fault direction), NE-SW and NW-SE.

2018 Geophysical Interpretation-2017 Airborne Survey – Results

GGN - AFZ

Determining an indicative signature from either magnetic or EM data over the AFZ showings is difficult due to the proximity of the TCH and associated powerlines, however, potential “anomalies” are identified near the showings, with all showings lying in close proximity to a contact identified from the EM data and reflected in the topography. The mapped geology suggests a contact striking approximately 010 degrees between the Outflow Formation and Hunts Cove Formation of the Davidsville group, and magnetic lineaments support this orientation, however the EM data suggests the contact may be closer to NE-SW, 035 degrees, similar to most other contacts in the AFZ / JBPDZ area. From north to south, drill hole LG99-22 by Herman’s Brook, seems to correspond with this contact and the Lotto Zone also is close to Herman’s Brook and the contact with both in magnetic lows. A strong airborne IP effect lies approximately 700 metres to the northwest of LG99-22. The Dome showing, like the Lotto showing, lies along the contact, and corresponds with a weak airborne IP effect. The Road showing does not give any anomalous values, however between 1.1 km – 1.3 km to the west of the Road showing, near drill hole LG03-02, the EM

shows an airborne IP effect and a contact defined from the EM only. To the northwest of the Baseline/Keats showing there is a dramatic change in the Outflow Formation/Hunts Cove Formation contact from flat lying (to the north) to shallow dipping to the east. The contact lies on the western side of South Herman's Pond, and there is a corresponding weak airborne IP response.

To the south of the TCH, the Bowater showing lies on strike with a north-south striking, weak magnetic low in mapped Outflow Formation. The EM shows nothing of significance associated with the showing however a strong airborne IP, noted on several lines, lies approximately 750 metres to the east. Strong magnetic lows are noted between the Knob/Bullet and Baseline/Keats showings on opposite sides of the TCH, however these are likely due to cultural effects, the roads, powerlines etc.

Much of the contact area to the south of the Grouse and Letha showings was mapped during the 2018 fieldwork. Although the region shows as a weak magnetic low, the fieldwork did not identify anything of interest in the southern AFZ. A 400 metres magnetic low that has not been explored extends southerly from Letha/Grouse. The zones further to the east also warrant further investigation. Comparison of the vertical derivative of the upward continued RMI with the EM contacts indicates that the EM contacts are likely structural.

Gander Gold North – JBPDZ

A geophysical EM signature is noted in the vicinity of the JBPDZ showings, and similar features are noted in close proximity to the known showings. Although there are a few, well-defined, conductors, the majority of EM anomalous features appear as IP effects which are due to faults, clays, alteration, graphitic material or mineralization, given the geometry of the profiles and how they correspond with features noted in historic ground IP data. The IP effects correlate with stronger IP zones from historic ground IP surveys.

Three resistive, sub-parallel, zones of interest, including the JBPDZ, were investigated during structural geology fieldwork in September 2018. All three areas showed alteration on the northern Gander River shore on these resistive zones. None showed major displacement, so they are alteration zones rather than structural features. The most prospective appears to be the JBPDZ however the central zone was only sampled along the shore.

The JBPDZ showings correlate with EM lineaments and lower magnetic zones, and tentatively with IP chargeability zones of variable strength. The zones may in part be due to graphitic content in the rocks which is also chargeable. The chargeability shows stronger zones to the west, closer to the AFZ. This is likely due to the more resistive EM background, resulting in a stronger chargeability response. These areas warrant further investigation. A third, large scale, structural element, parallel to the AL and JBPDZ is noted along the GRUB Line. Anomalous Au values in rock samples are noted adjacent to this structure in the Millers Brook area.

GGS - Greenwood Pond Area

The gabbroic unit, located in the south-central part, striking 047 degrees, hosts the Greenwood Pond showings, including Greenwood Pond #1-7, Aztec, A zone, Hornet, Road Gabbro, LBNL and Goose, further to the north. The structures in the area are complex but the dominant direction appears to be consistent with the geologic fabric, with most showings lying along regional NE-SW structures with potentially sinistral offset. Aztec, A-Zone and LBNL appear to lie along an ENE regional structure. A second subparallel structure, approximately 2 km to the south, extends through the Jumbo Brook area, close to anomalous Au in till areas and significant Au in soil values.

The North Paul's Pond showing lies adjacent to an extensive formational conductor, likely graphitic argillite, in a weakly magnetic zone. Goose and LBNL lie adjacent to the formational conductor and a separate, weak, short strike length, near-vertical, conductor seems to correlate with the Goose showing which carries arsenopyrite and may explain the conductor. Several shorter strike length conductors) lie on strike with Goose and LBNL to the southwest, parallel with the extensive formational conductive zone. Given their proximity and similarity to the Goose showing these short strike length conductors warrant further investigation. Only one, lies adjacent to the gabbroic unit. Several other conductors on the eastern side of the formational conductor also warrant further investigation.

Two km to the southeast of the Goose showing, an area of significant historic Au in soil samples lies at the junction of ENE, NE and WSW structures, an example of how a conductor can change geometry from a regular conductor to the south of a NE-SW structure to an IP anomaly to the north of the structure, with the strongest IP response correlating with the anomalous soil samples.

Significant anomalous Au in till samples in the magnetically low area corresponds with lower EM background values and a "gap" in the formational conductor with significant IP responses. This may represent alteration / mineralization and it warrants further investigation.

2018 Structural Geology Survey

Structure is a key aspect of the Queensway Project and is considered to be a critical control of gold mineralization in the area. A structural study of the area was contracted to GoldSpot was carried out in September, 2018 when geologists from GoldSpot visited the property in two groups of two field geologists and were oriented to the area by NFG geologists and prospectors who accompanied them during their traverses.

The intention of the survey was two-fold: (i) to understand the regional structure of the Davidsville group and nearby units. (ii) to evaluate the structural setting of the various gold showings to determine how the mineralization was emplaced and to look for similar structural settings in the Queensway Project that could host similar mineralization.

2018 Structural Geology Survey – Results

Most units display a penetrative, sub-vertical, axial planar structural fabric (S1) trending NNE-SSW. Local decimetre-scale, open to isoclinal F1 folds have been observed, plunging shallowly to the north-west. Occasional SW-plunging folds are interpreted to be caused by D2 interference, consistent with other studies.

Variations in the attitude of S1 are documented and are interpreted as resulting from the development of crosscutting NE-trending dextral fault/shear zones, consistent with a late stage dextral transpression during the main deformation event. Drag folds affecting the main fabric are present. Such fault zones are present at outcrop-scale, typically with 0.5 to a few metres offset determined in the presence of quartz veins. The widest example occurs on the north shore of Gander lake, to the west of the Gander river. It consists of a 10-20m wide, sub-vertical zone of intense S1 disruption trending at N75.

The S1 fabric is frequently affected by crosscutting D2 structures. Such structures consist of early to well-developed kink banding, fault planes and, locally open folds. They trend N125-N130 and dip approximately 60°SW. A conjugate, secondary set of faults / kink banding is locally present at approximately 30°. Relative kinematic indicators indicate NW-SE extension and NE-SW compression.

Most structures observed are of metre to decametre-scale. The lithological homogeneity of rocks in the Queensway Project hinder the identification and delineation of major structures at property scale. Consequently, geophysical data has been used to identify probable structures.

2018 Till Geochemistry

Geochemical till surveys mainly conducted for Au, by Noranda, with follow up reconnaissance and grid soil sampling, which generated prospecting targets by Noranda and later prospectors, resulted in the discovery of showings such as the Dome, Ketas/Baseline, H Pond, Knob and other zones on the GGN area and the Paul's Pond and Greenwood Pond showings in the GGS area.

A detailed till survey for Au over the JBPDZ in late 2016 defined a large area of anomalous tills along the trend, resulting, with follow up prospecting, in the discovery of significant gold zones, such as the Glass and 1744 area. In the GGS area, regional till surveys by NFG in 2018 generated areas of anomalous Au values, prospective for gold mineralization.

A milder than normal winter in central Newfoundland allowed NFG crews to collect till samples starting in February through to July, 2018. The till locations were based on GPS based grids designed around property boundaries, lakes, rivers, and boggy areas. The regional till survey produced 339 samples (95 % coverage) and the detailed grid produced 276 samples (90% coverage). Sites with samples not taken resulted from excessive organic material, sandy, non-till material, or rocky ground with little till. Efforts were made to sample all sites however areas along the NW Gander River, especially on the detailed grid were sometimes reworked fluvial material and not true tills and were not sampled.

In the GGN area, 4 till samples (JBPT1 to JBT4-4) were collected in the area of the 2016 1,744 gold grain site identified in late 2016 to validate the results and compare the two analytical methods.

The geochemical samples were sent to Activation Laboratories ("**Actlabs**") in Ancaster, Ontario and analyzed using analytical code 1H INAA (INAAGEO) / Total Digestion ICP (TOTAL) techniques for Au and 48 other elements. These techniques included a 4-acid digestion, followed by neutron activation analysis ("**INAA**") for Au, and either neutron activation or ICP analysis for the other elements. Twenty-one samples, which gave anomalous gold geochemical results, had larger samples taken at the same time and from the same sample material were later sent to ODM of Nepean, Ontario for heavy mineral and gold grain analysis.

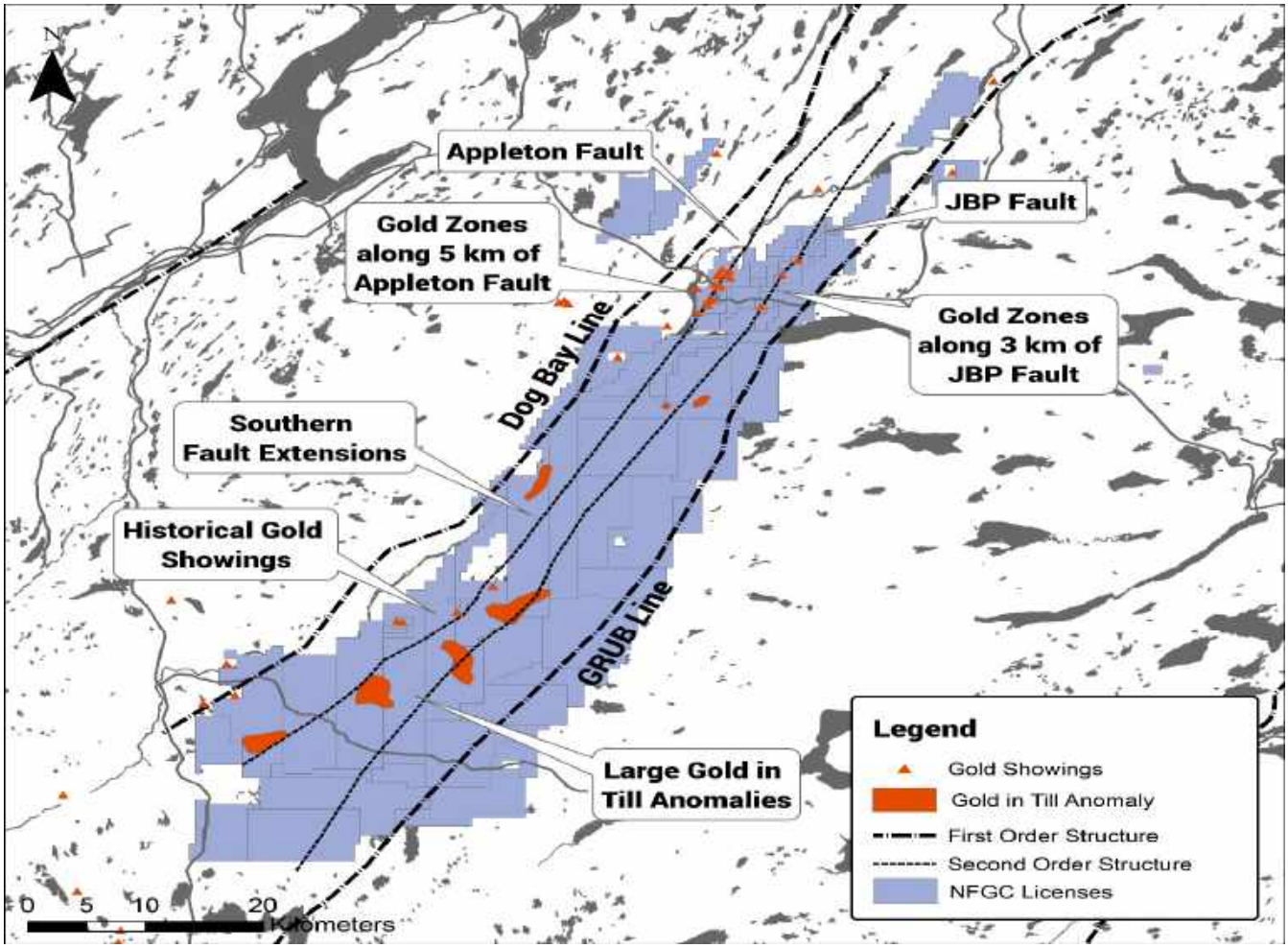


Figure 22 – Queensway Project Overview – Gold in Till Anomalies. Source: NFG, 2020

2018 Till Geochemistry – Results

Of the 615 till samples (356 regional, 276 detailed), 83 samples (64 regional & 19 detailed) gave analysis values > 8 ppb Au (14%) with 8 ppb Au considered a background level for the area. 413 samples gave values below detection of <2 ppb Au. Of the Au anomalous samples, 28 (25 regional & 3 detailed) gave values of 20 ppb Au or higher with the highest values - 133 ppb Au (Regional-33980), 65 ppb Au (Detailed-37338) and 45 ppb Au (Regional-33075).

The till results suggest at least 6 target areas for follow-up prospecting and advanced exploration, from north to south:

- Hunt's Brook - 33101 - 26 ppb Au, 33098 - 13 ppb Au – Shea Brook area. Just to the west, near the SW Gander River - 33980 - 133 ppb Au;

- The Narrows – East NW Gander River - 36212 - 31 ppb Au, 36213 - 22 ppb Au, 36215 - 22 ppb Au.

- SE of Paul's Pond - Larsen's Falls - 37494 - 35 ppb Au, 36149 - 30 ppb Au, 36745 - 26 ppb Au, 37488 - 25 ppb Au, 36746 - 16 ppb Au;

- Bernard's Brook - Pine Tree Hill - 36533 - 30 ppb Au, 36343 - 30 ppb Au, 36525 - 20 ppb Au , 37531 - 16 ppb Au , 36534 - 12 ppb Au;

- South of Eastern Pond - 36245 - 40 ppb Au, 36249 - 23 ppb Au, 36246 - 22 ppb Au, 36247 - 18 ppb Au, 36248 - 16 ppb Au, 36238 - 15 ppb Au; and

- Bear Pond - W Great Gull River - 33075 - 45 ppb Au, 33077 - 20 ppb Au, 39018 - 16 ppb Au.

The 2018 ODM gold grain analysis gave varied results. Till sample 33980 from the Shea Brook area gave the highest till value from the 2018 season at 133 ppb Au, however, the 2018 ODM gold grain analysis found no gold grains in the sample classified as a till, leaving unanswered questions such as whether the sample was analyzed correctly at Actlabs or there was an error during sampling or processing.

Ice flow direction is towards the north-northeast with target areas to the south-southwest and further till sampling is required to properly evaluate the results. The target areas, show little to no correlation with mineral occurrences indicating that unknown mineralized areas could exist in the GGS. The recognition of trace cinnabar in the samples in the ODM work requires additional research and review.

In the GGN area, samples JBT1 and JBT3 gave values of 9 ppb Au, JBT2 gave 15 ppb Au and JBT4 gave 18 ppb Au, all above the accepted background level of 8 ppb Au and considering the gold grains in till discovered by ODM in this area indicates significant potential in both the GGN and GGS areas.

2018-Present Prospecting

Prospecting of both outcrop and float boulders, mainly in follow up of till and soil geochemistry, has been the main discovery generator on the property with most gold zones found by prospecting. This is due to good logging road access to all three areas of the Queensway Project, the relatively thin till cover and the fact that most gold mineralization is associated with quartz veining which standardizes the identification of prospective mineralization. In the JBPDZ, recent logging activity, from the main road through the centre of the property, has included scarification which, while intended to help regeneration of the forest, has also had the effect of uprooting many quartz blocks derived from bedrock even in areas where overburden may be 6 metres plus in depth.

A total of 528 prospecting rock samples were taken on the Queensway Project in 2018. Samples were outcrop (309), chips from outcrop (5), subcrop (8) or float samples (206), taken mainly as "grab" samples or "selected" grabs with mineralization, especially visible gold, included in the sample. Forty-one control samples, 24 blanks and 17 standards, were also included for QAQC (defined below) analysis.

Targets in the GGS area, based on historical values and till results were evaluated. These included: Joe's Feeder; the Narrows at Steel Bridge; Winter Brook; Hussey Pond; SE Paul's Pond; Greenwood Pond; Jumbo Brook; Eastern Pond and Larson's Falls. Associated with a structural study by GoldSpot, abnormally low water levels in the late summer, allowed for prospecting to be done along the shore of Gander Lake and the Gander river systems and around historic showings, including the southern AL trend in the Outflow area. In the northwest part of the JBPDZ trend, prospecting evaluated historical results which suggested a continuation or parallel trends.

2018-Present Prospecting – Results

Three hundred and three samples had Au values below detection limit of 1 ppb; seventy-two samples gave values >100 ppb Au including thirty-six >500 ppb Au, twenty-four >1000 ppb Au, eleven >3000 ppb Au, and four samples >10000 ppb Au. The highest value located was X942013 - 44.7 g/t Au, a grab sample from the Glass T2 trench in a sulphide enriched portion of a quartz vein. In general, an increase in Au values is associated with an increase in As values although overall As values are usually <500 ppm. Correlation of base metals and Ag with Au is negligible except for some mineralization along the eastern trend on the JBPDZ where Pb values are elevated and a dark grey sulphide, thought to be boulangerite is noted (Table 9-6).

GGS - Targeted anomalous tills or geophysical targets. These included, from south to north:

Eastern Pond – thirty-four samples, with four giving values >100 ppb Au with a maximum value of 680 ppb Au, a float sample collected near the eastern shore of Eastern Pond;

Greenwood Pond area – twenty-four samples gave seven values >100 ppb Au including four samples >1000 ppb Au. The highest values - 6590 ppb Au and 1.7 ppm Ag and 3310 ppb Au occur proximal to known mineral occurrences being the Greenwood #6 and the A-zone extension. Sample X942359, from the same area, gave Au below detection limit with 14.2 ppm Ag, the highest in the sample area.

Paul's Pond – two samples >1000 ppb Au - 1185 ppb Au (LBNL showing) and X942609 - 1150 ppb Au (Goose Showing).

Till target areas C and D – one hundred and seventy samples, mainly along the river near Larsen's Falls where extensive quartz veining is noted. Four samples gave values >100 ppb Au with float sample 33217 assaying 1910 ppb Au.

Steel Bridge area to the east of the NW Gander River and along the river, based on anomalous tills - Till target B. 22 samples, including 5 chip samples, with 12 giving results >100 ppb Au and the highest value of 4000 ppb Au and 1660 ppb Au in outcrop along the river to the north of the bridge.

The remaining three areas: (1) NW Gander River forest access road between Yellow Fox Brook and Clarks Brook – twenty-seven samples all gave values <20 ppb Au; (2) the shoreline of Gander Lake and near Careless Cove – thirty-nine samples, ten giving values >100 ppb Au with a high value of 1185 ppb Au from outcrop along the shore of Gander Lake; and (3) the shoreline of Gander lake between the NW Gander River and Hunts Cove, including the SW Gander River, Shea Brook and Joe's Feeder – forty-six samples with three >1000 ppb Au; 33317 - 3020 ppb Au, 3309 - 1340 ppb Au, and 33316 - 1285 ppb Au, from outcrop of brecciated quartz just west of Joe's Feeder.

Twin Ponds - targeted conglomerates, gabbro sills, geophysical anomalies or areas on strike from the T-Rex, Clydesdale and Big Pond showings to the north off the NFG licences. Forty-three samples – four values >100 ppb Au, from outcrop with quartz veins at the contact between gabbro and host sediments to the north of Twin Ponds.

GGN – Targets - high till values or gold grain counts; Fault Zones- the AFZ and JBPDZ, in areas where limited work had been carried out, or geophysical anomalies.

- South of the TCH along the AFZ and along the north shoreline of Gander Lake – thirty-three samples with seven >100 ppb Au and the highest values - 13,700 ppb Au, 3460 ppb Au, both quartz floats along the eastern shore of the Outflow on the AFZ;
- North of the TCH – a cursory examination of historic trenches with X942081, from between the Dome and Lotto Zone giving a value of 14,650 ppb Au;
- Between the Lachlan trench and H Pond showing on the JBPDZ – forty-one samples with fourteen giving values >100 ppb Au, eight >1000 ppb Au and two >10,000 ppb Au with all the anomalous values along the JBPDZ. The highest value – 44.7 g/t Au was a grab sample from the Glass trench while a value of 13,250 ppb Au came from a quartz float between the Glass trench and H Pond showing – This sample also had elevated Ag of 1.4 ppm and a low As value near the lower detection limit; and
- Eastern and northeastern limits of the GGN licence – Targets - historical soil, till and prospecting results – thirty-two samples with two >100 ppb Au but <500 ppb Au, from quartz float along the JBPDZ.

Drilling

The 2019 diamond drilling program at the AFZ comprised 586 metres of HQ diameter core in 4 holes completed between October 28, 2019 and November 17, 2019 (Figure 23 and Figure 24 below). Holes NFGC-19-01 and NFGC-19-02 were drilled to target the Keats Zone where historical drilling and trenching suggested gold mineralization was to occur. Holes NFGC-19-03 and NFGC-19-04 were drilled from a single setup at the Dome Showing to further evaluate known gold mineralization. The 2019 diamond drilling program was successful in identifying gold mineralization along the AFZ at both the Keats and Dome showings.

Drilling along the JBPDZ in 2019 was comprised of six holes totaling 1,400m between November 17, 2019 and December 14, 2019 targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC-19-06 only tested the glass vein system.

The samples with the highest potential for gold were assayed using the ALS Mineral multi analysis screen, gravimetric and ore grade analysis, methods include; Au-AA26 Ore Grade Au 50g FA AA Finish, Au-GRA22 Au 50g FA-GRAV Finish, and Au-SCR24C Au Screen FA Double minus 50g 2-3 Kg.

BHID	UTME (NAD27)	UTMN (NAD27)	ZPT	DIP	BRG	LENGTH (m)
NFGC-19-01	658148	5427245	93	-43.6	302.19	199
NFGC-19-02	658035	5427130	90	-43.5	299.69	270
NFGC-19-03	658632	5428486	85	-44.7	0.39	64
NFGC-19-04	658632	5428486	85	-63.5	0.59	52
NFGC-19-05	664842.5	5430309	85	-44.7	302.69	274
NFGC-19-06	664867	5430352.5	85	-44.1	302.19	94.5
NFGC-19-07	664891	5430400	85	-44.6	300.99	248
NFGC-19-08	664823	5430200	85	-44.2	299.39	262
NFGC-19-09	665093	5430660	85	-44.2	300.89	299.6
NFGC-19-10	665176	5430750	85	-43.7	303.99	222.2
TOTAL						**1985.3**

Figure 23 – 2019 Diamond Drill Hole Locations

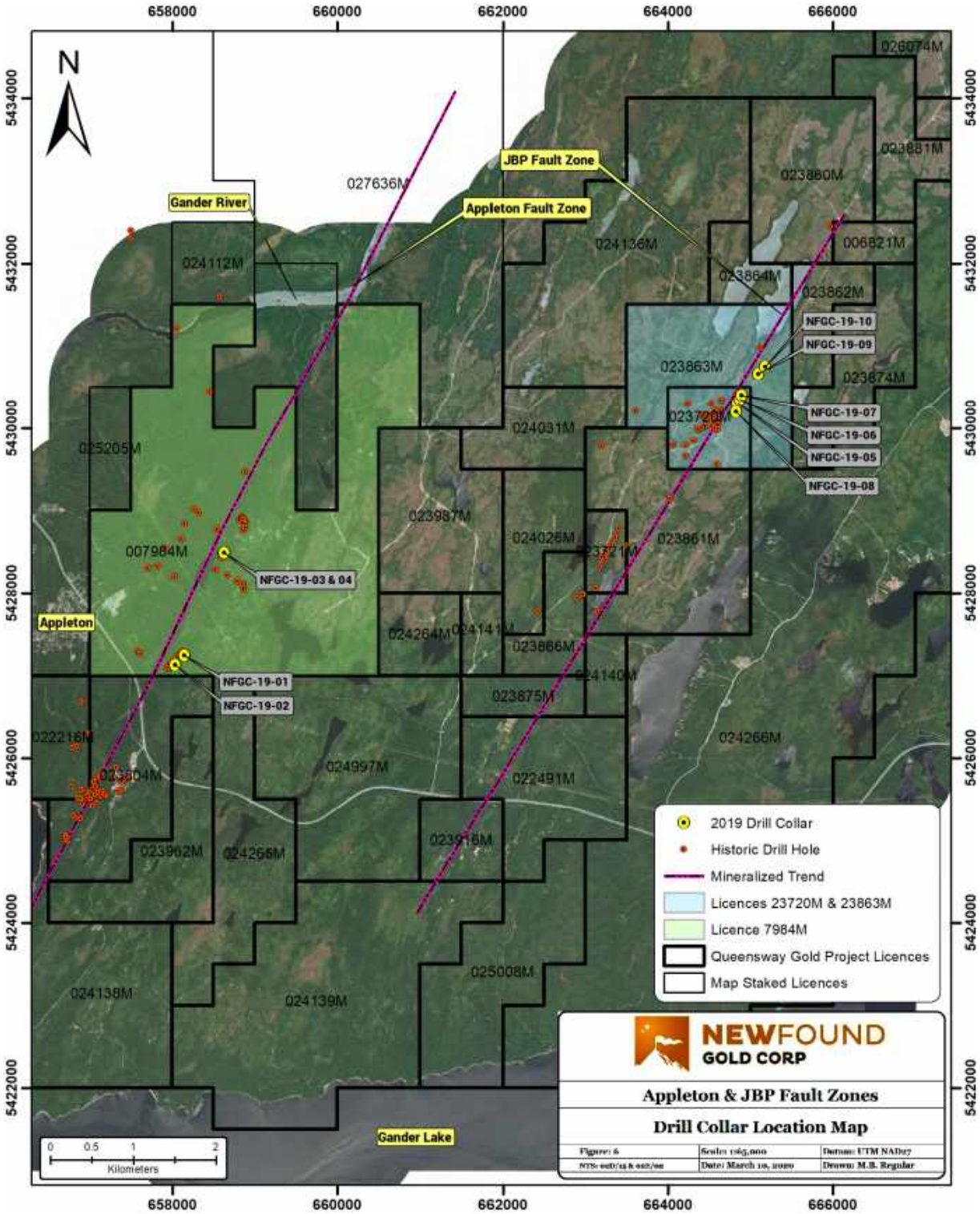


Figure 24- Queensway Project – 2019 Diamond Drill Hole Locations. Source: NFG, 2020.

The 2019 diamond drilling program at the AFZ was designed to further evaluate the gold mineralization and quartz veining along the east side of the AFZ trend specifically at the Keats and the Dome Showings. The results of this drilling will be used in conjunction with historical data to plan future exploration along the AFZ trend.

Drilling along the JBPDZ in 2019 was comprised of six holes totaling 1,400m targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC-19-06 only tested the glass vein system (Figure 25).

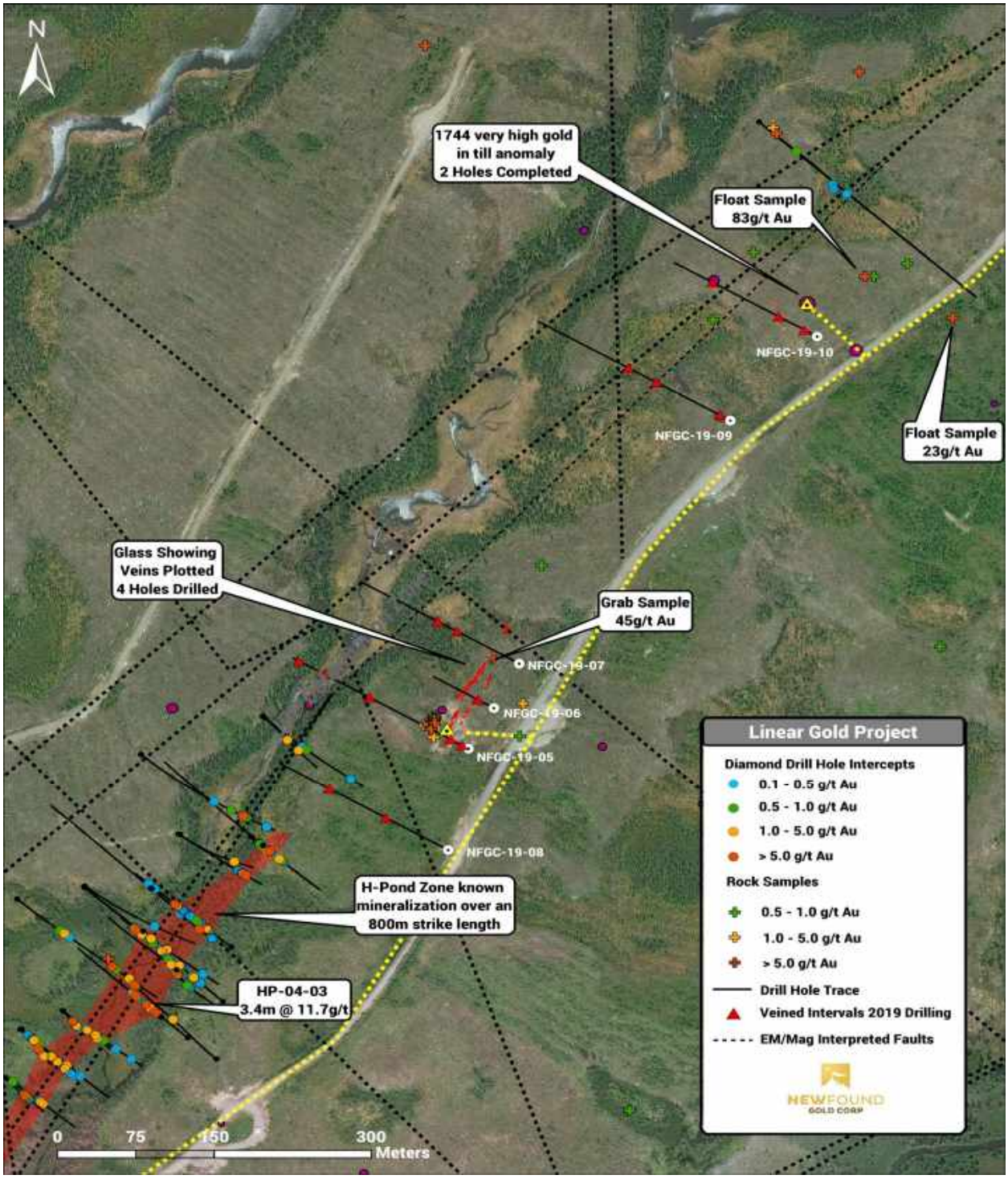


Figure 25 - Queensway Project – Plan View Interpretation of the JBPDZ Drilling with Major Vein Sets as Indicated (Holes NFGC-19-05 through NFGC-19-10). Source: NFG, 2020

NFGC-19-01

Drilling at NFGC-19-01 was planned to target 50 metres vertically below historic drill hole LG08-48 at the Keats Zone. A significant gold mineralized zone was intercepted from 96 to 115 metres grading 92.86g/t Au over 19.0 metres including 285.2 g/t Au over 6.0 metres containing considerable visible gold and wall rock sulphidation consisting of pyrite and lesser arsenopyrite. Within the quartz vein material traces of arsenopyrite, chalcopyrite and boulangerite were found. The zone was hosted in dark grey shale belonging to the Davidsville group and the quartz zone is spatially associated with a number of fault structures including one gouge zone up to 60cm in width. This is believed to be a second order structure to the AFZ and was intersected by all of the historic diamond drilling at the Keats zone but previously undocumented.

The vein intersection is the extension of the zone encountered in drill hole LG08-48 (50m above) and believed to be the extension of surface mineralization found in historical United Carina trench #3.

The quartz vein was notably vuggy and exhibiting textures associated with boiling events in epithermal gold zones. Possibly due to a flashing event within the larger mesothermal AFZ system.

A second mineralized fault structure was intersected at 177.5m with associated gold mineralization in lesser quartz stockwork from 177.5 to 180.0m depth grading 3.38g/t Au over 2.5m. Both fault zones intersected in the hole are believed to be secondary to the regional AFZ. Drilling did not continue in order to intersect the primary fault.

Figure 26 - Queensway Project – NFGC-19-01 Visible Gold in Quartz Circled. Source: NFG, 2020

Figure 27 - Queensway Project – NFGC-19-01 Keats Zone Intercept. Source: NFG, 2020

Hole ID	Sample#	From	To	M	Au (g/t)	Reported Intervals	
NFGC-19-01	X943088	89.00	90.00	1.00	0.13		
NFGC-19-01	X943089	90.00	91.00	1.00	0.76		
NFGC-19-01	X943091	91.00	92.00	1.00	0.23		
NFGC-19-01	X943092	92.00	93.00	1.00	0.17		
NFGC-19-01	X943093	93.00	94.00	1.00	0.11		
NFGC-19-01	X943094	94.00	95.00	1.00	0.28		
NFGC-19-01	X943095	95.00	96.00	1.00	1.28		
NFGC-19-01	X943096	96.00	97.00	1.00	3.80	92.86 g/t Au over 19.0m	285.15 g/t Au over 6.0m
NFGC-19-01	X943097	97.00	98.00	1.00	7.71		
NFGC-19-01	X943098	98.00	99.00	1.00	5.42		
NFGC-19-01	X943099	99.00	100.00	1.00	5.49		
NFGC-19-01	X943101	100.00	101.00	1.00	2.89		
NFGC-19-01	X943102	101.00	102.00	1.00	2.01		
NFGC-19-01	X943103	102.00	103.00	1.00	1.72		
NFGC-19-01	X943104	103.00	104.00	1.00	2.42		
NFGC-19-01	X943105	104.00	105.00	1.00	2.18		
NFGC-19-01	X943106	105.00	105.50	0.50	29.50		
NFGC-19-01	X943107	105.50	106.50	1.00	960.30		
NFGC-19-01	X943108	106.50	107.50	1.00	94.00		
NFGC-19-01	X943109	107.50	108.50	1.00	437.00		
NFGC-19-01	X943111	108.50	109.50	1.00	188.70		
NFGC-19-01	X943112	109.50	110.00	0.50	14.00		
NFGC-19-01	X943113	110.00	110.50	0.50	2.70		
NFGC-19-01	X943114	110.50	111.00	0.50	15.65		
NFGC-19-01	X943115	111.00	112.00	1.00	3.08		
NFGC-19-01	X943116	112.00	113.00	1.00	2.14		
NFGC-19-01	X943117	113.00	114.00	1.00	0.85		
NFGC-19-01	X943118	114.00	115.00	1.00	13.70		
NFGC-19-01	X943119	115.00	115.50	0.50	1.79		
NFGC-19-01	X943121	115.50	116.00	0.50	0.03		
NFGC-19-01	X943122	116.00	117.00	1.00	0.19		
NFGC-19-01	X943123	117.00	117.50	0.50	0.22		
NFGC-19-01	X943124	117.50	118.50	1.00	2.33		

Drill core angles indicate the zone to be approximately 70% of the reported intercept width

Figure 28 – Individual Assay Results – NFGC-19-01 – Keats Zone

NFGC-19-02

Drilling at NFGC-19-02 also targeted the Keats zone located 160m south of NFGC-19-01 and targeting 50m vertically below historic drill hole LG99-12. This hole also intersected the second order fault structure found in NFGC-19-01 with associated narrower quartz veinlets and wall rock sulphidation (pyrite and arsenopyrite) and visible gold in quartz. The composite grade of the zone was 1.54 g/t Au over 12.0 metres with one metre grading 5.45 g/t Au and containing visible gold. Exhibiting a similar width and structural control to NFGC-19-01 the results of this hole are promising as the Keats system is showing robust width and a known length up to 300m. Figure 29 below shows a plan view interpretation of the Keats zone with dill holes NFG-19-01 and NFGC-19-02

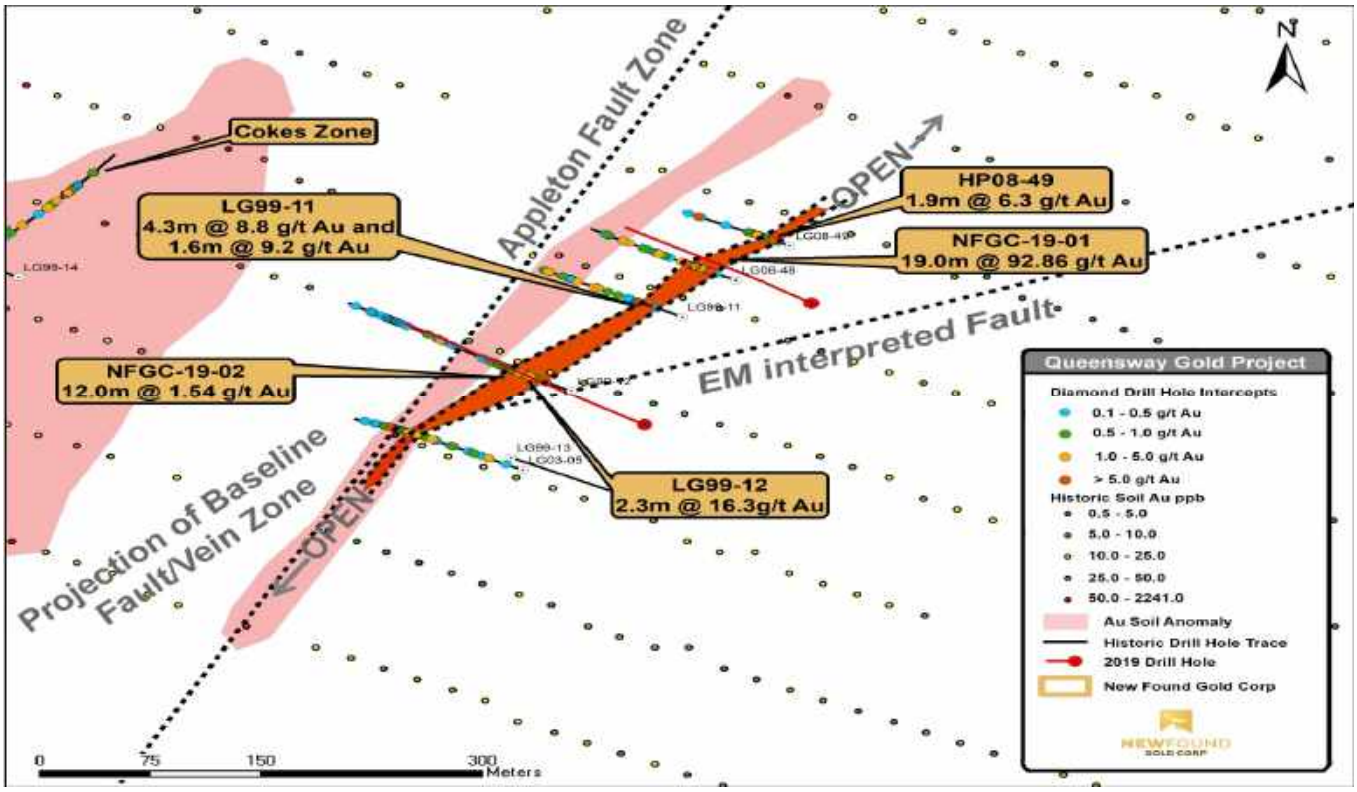


Figure 29 - Queensway Project – 2019 Drilling at the Keats Zone. Source: NFG, 2020

NFGC-19-03

Drilling at NFGC-19-03 targeted the Dome showing main vein where historical drilling had previously intersected high grade gold mineralization. The main vein was intersected at a depth of 20.9 to 22.0 metres with a second vein from 24.9 to 25.5 metres and gave an overall composite grade of 16.52 g/t Au over 6.1 metres anchored by 162.5 g/t Au over 0.6 metres.

NFGC-19-04

Drilling at NFGC-19-04 also targeted the Dome showing main vein and from the same setup but drilling at -60 degrees below NFGC-19-03; this hole intersected the main Dome vein from 28.3 to 29.7 metres noting visible gold on the margin of the vein. This gave a composite average of 1.14 g/t Au over 8.0 metres including one metre grading 4.61 g/t Au.

At the Dome showing visible gold mineralization appears to be primary confined to the margin of the vein. Of particular note was the apparent vuggy nature of the quartz and similarity to the veining intersected at the Keats zone suggestive that the emplacement mechanisms were similar.

NFGC-19-05, 06, 07, 08

NFGC-19-05, 06, 07, 08 were all drilled to target the Glass vein system which was discovered in 2017 and excavated by NFG in 2017 and again in 2018. All four holes were targeted to intersect the Glass vein system at shallow depths (<25m). The Glass

vein system is believed to be a parallel vein system to the H-Pond zone approximately 100m to the west and drill holes NFGC-19-05, 07 and 08 were extended to intersect both vein systems.

The Glass vein array was noted in holes NFGC-19-05, 06 and 08 but gave poor gold results and visible mineralization was very limited.

NFGC-19-05 was successfully intersected a broad vein intercept within the H-Pond zone from 231.0 to 242.0m grading 2.35 g/t over 11.0 metres including 6.73 g/t Au over 3.0 metres as well as a second vein intersection from 268.0 to 269.0m grading 2.75 g/t Au over 1.0 metres. This intercept has extended the known mineralized extents of the H-Pond zone by roughly 150 metres along strike. The vein system was marked by significant iron-carbonate alteration zone. This is also one of the deepest intersections of the H-Pond zone to date.

NFGC-19-06, 07 and 08 failed to intersect and significant mineralization.

NFGC-19-09, 10 were both drilled along strike of the H-Pond and Glass vein systems along the JBP fault zone and drilling in an area with very high gold in till results (1744 zone) and a significant number of visible gold bearing float samples which were interpreted to be derived from the JBP fault zone. Both holes were successful in intersecting new vein systems. The broad quartz intercept in NFGC-19-09 shows a nearly identical alteration and sulphide pattern to the intercept in NFGC-19-05 from the H-Pond zone. The intercept in NFGC-19-09 is believed to be an extension of the H-Pond by roughly 500m along strike. NFGC-19-09 intersected 4.39 g/t Au over 9.0 metres including 17.45 g/t Au over 2.0 metres from the well altered vein set thought to be the extension of the H-Pond zone. An intercept near the top of NFGC-19-10 with unknown correlation to NFGC-19-09 intersected 1.07 g/t Au over 4.0 metres and several lesser zones.

The 2019 drilling campaign was successful in identifying auriferous quartz veined zones of sufficient size, tenor and textural characteristics to warrant additional exploration. Based on the drill results to date, the Appleton Fault Trend has an enormous potential to host an Epizonal style Orogenic gold deposit with mineralization styles similar to those of Fosterville in Australia. The occurrence of vuggy veins with free gold and a blend of antimony mineral species including stibnite and boulangerite suggest a flash boiling event on a near mesothermal orogenic gold system such as seen at Fosterville.

Significant composite gold assay results are shown in Figure 30; the true widths of the mineralization in the below table is not known but estimated to be from 60-80% of the down hole composite width based on intersection angles and correlation to historical drilling.

Hole ID	From	To	Length(m)	Au (g/t)	Zone
NFGC-19-01	83.0	83.7	0.7	2.46	Keats
NFGC-19-01	95.0	115.5	20.5	86.17	Keats
incl	96.0	115.0	19.0	92.86	
incl	105.0	111.0	6.0	285.20	
NFGC-19-01	117.5	118.5	1.0	1.56	Keats
NFGC-19-01	146.5	147.5	1.0	1.30	Keats
NFGC-19-01	177.5	180.0	2.5	3.38	Keats
NFGC-19-02	142.0	154.0	12.0	1.54	Keats
incl	142.0	143.0	1.0	5.45	
NFGC-19-02	253.0	254.0	1.0	1.07	Keats
NFGC-19-03	20.4	26.5	6.1	16.52	Dome
incl	20.9	21.5	0.6	162.50	
NFGC-19-04	26.0	34.0	8.0	1.14	Dome
incl	29.0	30.0	1.0	4.61	
NFGC-19-05	231.0	242.0	11.0	2.35	H-Pond
incl	231.0	234.0	3.0	6.73	
NFGC-19-05	268.0	269.0	1.0	2.75	H-Pond
NFGC-19-06	NSV				
NFGC-19-07	NSV				
NFGC-19-08	NSV				
NFGC-19-09	15.5	16.5	1.0	1.65	H-Pond
NFGC-19-09	120.0	122.0	2.0	1.13	H-Pond
NFGC-19-09	162.0	171.0	9.0	4.39	H-Pond
incl	165.0	167.0	2.0	17.45	H-Pond
NFGC-19-10	22.0	26.0	4.0	1.07	H-Pond
NFGC-19-10	66.0	68.0	2.0	1.59	H-Pond
NFGC-19-10	180.0	185.0	5.0	0.62	H-Pond

Figure 30 - 2019 Diamond Drill Hole Significant Gold Composite Intercepts

Sample Preparation, Analysis and Security

All analytical data for NFG's Queensway Project after May of 2018 is obtained and reported under a formal quality assurance and quality control ("**QAQC**") program, monitored by Greg Matheson P.Geo NFG's Qualified Person for QAQC as defined by NI 43-101.

An independent review of the QAQC program by the QP of the Queensway Technical Report confirms that it utilizes CIM Best Practices Guidelines and NI 43-101 standards of disclosure. The program is designed to suit the Queensway Project and is guided by the level of confidence in the laboratory, anticipated grades in samples, distribution of mineralization, geology and other factors. The procedure for sample collection, processing and analyzing is defined in the sections below.

Check analysis of NFG samples collected prior to May 2018 was completed by sending selected and random samples to ALS for secondary lab validation. No issues with the historical NFG samples were noted.

Samples collected since May 2018, under the adoption of NFG's formal QAQC policy have shown with a high level of confidence that the analytical results produced from ALS are an accurate representation of the mineralized content within the sampled rock.

The insertion of a blank or standard occurred every 10 samples switching between the blank and standard reference material using 3 different standards, OREAS 218, 224 and 255 for all rock and core samples. The blank consisted of a unmineralized red sandstone from a roadcut near Botwood, NL whereas the standards were purchased from Analytical Solutions Ltd. Of Mulmur, ON who provided the OREAS certified reference materials. Detailed QAQC policy and results can be seen in section 12 below.

It is the opinion of the QP of the Queensway Technical Report, that the sample preparation, analyses and security employed by NFG is adequate and meets the CIM best practices.

ALS and EA are accredited by the International Accreditation Service, which conforms with requirements of ISO/IEC 17025:2005. There is no relationship between the laboratories used and NFG.

Analytical Methods

EA – Pre 2018

Assay preparation procedures at EA for standard NFG samples involve crushing of the entire sample to approximately 80% passing -10 mesh. The complete sample is riffle split down to approximately 250g of material. The remainder of the sample is bagged, labelled and stored as a coarse reject. The 250g split is pulverised using a ring mill pulveriser to approximately 95% -150 mesh material. Analysis is conducted on a 30g pulp split with fire assay followed by ICP-AES finish.

EA metallic screen assay preparation procedure is to crush the sample to approximately 80% passing -10 mesh. The entire sample is pulverized to approximately 95% in 200-300g portions. All pulverised material is passed through a 150 mesh screen. The total fraction (+150 mesh) is fire assayed as one sample and the weight recorded. A 30g sample from the -150 mesh is weighed and fire assayed. The two fire assay results (+150 and -150 mesh) are calculated and the weighted average gold result is reported.

ALS

Assay preparation procedures at ALS for standard NFG samples involve crushing of the entire sample to 85% passing 2mm then riffle splitting a 1000g pulp to be pulverized to 85% passing 75 microns. Analysis is conducted on a 30g pulp split with fire assay followed by ICP-AES finish. Samples reporting above 10 ppm in ICP analysis are subject to a 30g gravimetric fire assay.

Samples noted to contain visible gold or anticipated to carry high assay grade (including core samples) are subject to a metallic screen analysis. ALS metallic screen assay preparation procedures involve the crushing of the entire sample to 70% passing 6mm and pulverising up to a 3kg split to 85% passing 75 microns. The sample is then dry screened at 100 micron. Duplicate 50g fire assays with AAS finish are completed on splits of the undersize fraction and the entire oversize fraction is assayed. Total gold content is calculated based on the individual assays and weight fractions.

Sample Security and Transportation

The security of samples is a major component of the sampling process. The collection, packaging, transport, and receipt of samples are conducted under a strict and traceable chain of custody. The collection and packaging of samples for shipping is undertaken by contractors of NFG under the supervision of NFG's site geologist, Mike Regular P.Geo. Samples are collected and promptly stored in a dedicated, secure storage room under lock and key pending shipment to the laboratory. For shipment, several individual sealed samples are placed into labelled shipping boxes and are securely closed with shipping tape.

All of NFG samples were transported directly to EA in Springdale, Newfoundland, upon completion of sampling, prior to May 2018. Since May 2018, NFG has been using ALS in Vancouver B.C. All 2018 sampling was directly supervised by Mike Regular, P.Geo., and all samples were handled and shipped by Mike Regular, P.Geo. Rock samples are shipped by commercial courier to ALS Minerals preparation facilities in either Sudbury, ON or Timmins, ON. Drill Core samples are shipped by commercial courier to ALS preparation facilities in either Timmins, ON or Moncton, NB.

Samples are shipped on a regular basis to ALS. Upon receipt by the lab, the samples are logged in and checked against NFG's submittal form and chain of custody document for any discrepancies.

The company maintains secure physical chain of custody documentation with its transportation suppliers.

Quality Assurance and Quality Control

NFG's QAQC program is designed to systematically monitor and evaluate sample collection and handling from the field or core shack to the assay laboratory to prevent mishandling and/or tampering of the samples and to eliminate potential sources of uncertainty and issues in the final assay results.

NFG's personnel ensure that four quality control samples are included in every 40 samples, representing 10% of the total samples, which meets the industry standard. All control samples are submitted to the laboratory without any additional identification marks apart from the sample tag number.

The control process is that every 10th sample submitted is a controlled sample. A standard or blank is inserted every tenth sample in alternating order.

- Certified Reference Material ("**CRM**"); and
- Blank.

This control insertion cycle is repeated until all samples are submitted to the lab for analysis. Additionally, for a minimum of 1 sample per batch submitted, or a minimum of 1 sample per 100 samples submitted, the pulps are set aside to be submitted to the check lab once enough samples have accumulated.

Samples NFG submitted to EA prior to May 2018 did not utilize a formal QAQC program, samples were submitted to the lab without the use of certified reference materials, blanks or duplicate samples. QAQC monitoring was left to the lab's in-house QAQC controls to detect any issues with the analytical testing. Further check analysis in 2018 as indicated above has shown the samples collected by NFG prior to May 2018 are of an industry standard analytical quality and analytical control.

The different types of QAQC samples that are used within NFG:

Standards or CRM are samples of known or accepted value that are submitted to assess the accuracy of a laboratory. A difference from the expected CRM result indicates a bias within or between the assay batches. Standard samples may be purchased commercially or may be prepared internally, and it is recommended to utilize standards that span the potential range of likely assay values. These CRMs used to date were produced by Ore Research and Exploration Pty Ltd. of Bayswater, Australia and include the following CRM codes: OREAS 218, 224 and 255.

Blanks are samples without gold mineralization are submitted with each batch of samples sent to the laboratory. The blank material is collected form a location known to be devoid of any mineralization or purchased from a reputed supplier. Results from these samples indicates any contamination introduced during the sample preparation or analysis procedures.

Lab Check Samples: lab check samples check the analytical precision of the laboratory relative to another laboratory. Check assays through a secondary laboratory does not determine which laboratory is more accurate. Pulp samples from the primary laboratory are retrieved and submitted as a batch to the secondary laboratory for analysis. The selection to the second laboratory is done after ensuing that is uses an assaying technique identical to the principal laboratory.

As part of the 2018 prospecting and surface exploration program at the Queensway Project, the Company utilized three certified reference materials as well as blank rock material in its sample stream. All samples during this time were submitted to ALS laboratories with preparation completed in Sudbury, Ontario and analysis completed in Vancouver, British Columbia. Overall, the standard reference materials performed very well with no samples reaching a warning limit.

The blank materials submitted to the laboratory also performed well with only one sample showing a gold value above the lower detection limit of the laboratory.

The QP of the Queensway Technical Report declares that the results presented by NFG and conducted by its analytical provider would be satisfactory for use in the Queensway Technical Report.

Data Verification

QP Dawn Evans-Lamswood visited the site between February 13th and 14th, 2020. The visit included reviewing the Queensway Project geology, project data, drill cores, core processing techniques and viewing the claim areas. Inclement weather conditions prevented the author from visiting individual drill collars.

Historic diamond drill core was not available for review at the time of the visit as the majority of historic core is stored at the provincial core library in Buchans, NL.

During the site visit the QP of the Queensway Technical Report conducted independent sampling of several intervals from the 2019 drilling program. Selected intervals were sawn in one quarter core and bagged for analysis at Eastern Analytical laboratories in Springdale, NL. The results of the verification analysis show a good correlation to the sampling conducted by NFG (Figure 31).

HoleID	From	To	Width	Sample Type	DEL Sample ID	DEL Sample Grade g/t	NFGC Sample ID	NFGC Sample Grade g/t
NFGC-19-01	95.00	96.00	1.00	1/4 Core	X942757	1.09	X943095	1.33
NFGC-19-02	143.00	144.00	1.00	1/4 Core	X942758	0.19	X943374	0.43
NFGC-19-02	197.00	198.00	1.00	1/4 Core	X942759	0.03	X943435	0.05
NFGC-19-03	20.90	21.50	0.60	1/4 Core	X942761	206.95	X943534	162.50
NFGC-19-04	27.00	28.00	1.00	1/4 Core	X942762	0.29	X943612	0.55

Figure 31 - Results of Independent Sample Validation*: *Source NFG, 2020

The digital database prepared by NFG, and provided to QP Dawn Evans-Lamswood, relied on the industry professionalism of information supplied by NFG. As the database was limited in size no discrepancies were noted to source data. As this was found to be the case, NFG has obviously undertaken taken significant internal QAQC while producing the data.

NFG personnel have handled the data with the utmost regards to accurate transfer of the verified data entry. The QP of the Queensway Technical Report has conducted a number of checks of the digital database against the primary assay certificate records and no errors were found. The QP of the Queensway Technical Report believes that the data is adequate to support drill planning and targeting and for use in the Technical Report.

Mineral Processing and Metallurgical Testing

NFG has no knowledge of any historical mineral processing/metallurgical testing of the Gold mineralization on the Queensway Project.

Mineral Resource and Mineral Reserve Estimates

There are no current mineral resources or mineral reserves on the Queensway Project.

Conclusions

The Queensway Project is mostly composed of rocks of the Davidsville group (Barry's pond, Hunt's Cove, and Outflow Formations), which is dominated by mudstone. However, some portions include siltstone and/or sandstone making up to 50% of the layering. Open to isoclinal, shallowly NE-plunging F1 folds are frequent but the overall sequence appears to be rather monoclinal. No regional scale fold has been identified to date. The D2 deformation has little to no impact on pre-existing structures. Gold mineralization is interpreted to be syn- to late-D1 deformation. On both lithological and structural perspectives, a good analog for the Queensway Project is the Bendigo-Castlemaine goldfields in Victoria, Australia. Mudstone, containing pyrite nodules locally, is a favourable source rock for sulphur and gold, provided that metamorphism was high enough at depth to lead to pyrite breakdown and fluid devolatilization that would enable gold mobilization and upward migration. Gold occurrences over the Queensway Project show there is good potential and both fault zones bounding the Davidsville group (i.e., the Dog Bay line and Gander River Complex line) can be considered as first-order structure, in the vicinity of which second-order structures could host gold mineralization.

The historic exploration programs appear to have been generally well planned and carried out in a prudent and careful manner although many of the programs have not been carried through to fruition, due to issues such as funding or other projects taking precedence. Historic geochemical and geophysical surveys, trench channel sampling and mapping, and drill hole logging and sampling has been done by trained and professional personnel. Overall, to the extent known, there are no significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the historic exploration information.

NFG exploration from 2016 to the present has been early stage exploration – compilation, prospecting, geochemistry, airborne geophysics, trenching and drilling. The company has defined new gold showings such as the Glass and the area of highly anomalous gold in tills along the JBPDZ in the GGN area and has defined areas of anomalous gold in tills in the GGS area outside of the known gold showings. Targets generated through NFG exploration to date, including the 2019 drilling program, plus historical targets requiring further evaluation should be further explored including proposed trenching and diamond drilling by NFG.

Significant potential exists for the expansion of the known zones through diamond drilling both along strike and down dip of existing intercepts as well as other favourable geological targets such as the linear soil anomalies near to the AFZ. Very few drill holes have reached below 100m vertical depth and significant distances exist between the known mineralized zones with no drilling.

The GGS portion of the project contains similar geological environment to the GGN area of the project and combined present over 105 km of strike length potential to discover mineralized structures either along the AFZ or JPBFZ or similar structural controls.

Recommendations

The QP's recommendation include continued exploration for both regional grass roots work in follow up of regional targets, any prospecting targets generated in the past 3 years and the gold in till anomalies located in the GGS area, plus more detailed exploration including both trenching and diamond drilling on, and in the vicinity of, known gold showings on both the AFZ and the JBPDZ.

The QP's recommendations include a significant exploration program comprised primarily of till geochemistry, airborne geophysics, surface trenching and diamond drilling (the "**Exploration Program**") (Figure 32). The drilling program is designed to meet two objectives: (1) drill test established, known targets, and (2) to drill test the JBPDZ and AFZ for areas of mineralization. The phase 1 drilling program includes an estimated 25,000 metres of diamond drilling. A total of $4,500,000 is estimated for the diamond drilling based on an all-in cost of $180/m which includes costs on coring, assaying, extra hourly charges, logistics, and supervision. These holes will be primarily drilled in the AFZ and JBPDZ areas, holes will be designed to test known gold mineralized zones as well as testing for new zones. Specifically drilling should target extensions of the mineralized zone intersected in NFGC-19-01. Contingent on the result of the phase 1 drilling program, additional exploratory drilling and inferred resource definition drilling will occur in the phase 2 drilling program. The phase 2 drilling program is planned at 75,000 metres of diamond drilling and a total of $13,500,000 is estimated for the phase 2 drilling program at an all in cost of $180/m.

A trenching program is recommended for the GGN claims to re-expose the known surface gold occurrences along the AFZ and JBPDZ and follow their surface extensions.

A second phase of till sampling is also recommended to better refine the areas of anomalous gold concentrations found during the 2018 till sampling program (the "**Till Sampling Program**"). The Till Sampling Program would cover an additional 750 sites at an estimated cost of $750,000. Subsequent to the Till Sampling Program, additional trenching, mapping and diamond drilling is anticipated for the GGS area; this regional diamond drilling program should be roughly 2,000 metres at an all in cost of $180 per metre. The GGS trenching program consisting of trenching and diamond drilling will be contingent on a successful delineation of targets formed by the Till Sampling Program.

After the completion of the airborne gravity geophysical survey in March 2020, the Company is recommended to pursue advanced geophysical interpretation to identify the structural, lithological and alteration characteristics of the GGN area. If successful in outlining these characteristics, the author of the Queensway Technical Report recommends a second phase of airborne gravity to cover the licenses in the GSS area at total estimated program cost of $1,200,000.

After successful completion of the recommended work programs, adequate knowledge of the mineralization controls should be known allowing for more detailed and directed programs allowing for definition and delineation of a possible resource zone.

Queensway Project	Unit Costs	Year 1 Q3-Q4- 2020	Year 2 Q1-Q4 -2021
Till Sampling Program			
Follow Up Till Sampling Program		$750,000	
Regional Prospecting/Geological Mapping		$300,000	$300,000
Geophysical Anomaly Investigation		$50,000	
GGN Gravity Geophysical Interpretation		$200,000	
GGS Gravity Survey			$1,200,000
GGN Trenching Program		$200,000	
GGS Trenching Program		$100,000	$225,000
Drilling Program			
Drill Hole Relogging	$500/day	$50,000	-
Diamond Drilling Phase 1(JBPDZ and AFZ) 25,000m			
Core Drilling (HQ size)	$110/m	$2,750,000	
Assaying and Geochemistry	$30/m	$750,000	
Logging and Supervision	$30/m	$750,000	
Contingency	$10/m	$250,000	
Regional Drilling Program 2,000m			
Core Drilling (HQ size)	$110/m		$220,000
Assaying and Geochemistry	$30/m		$60,000
Logging and Supervision	$30/m		$60,000
Contingency	$10/m		$20,000
Diamond Drilling Phase 2 (JBPDZ and AFZ) 75,000m			
Core Drilling (HQ size)	$110/m		$8,250,000
Assaying and Geochemistry	$30/m		$2,250,000
Logging and Supervision	$30/m		$2,250,000
Contingency	$10/m		$750,000
Total:		**$6,150,000**	**$15,585,000**

Figure 32 - Cost estimates for Recommended Exploration Program for the Queensway Project

OTHER MINERAL PROJECTS

The Company owns a 100% interest in the Lucky Strike Project in Kirkland Lake, Ontario, comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The Company acquired the rights to the Lucky Strike Project by map staking mineral licenses and making staged payments in cash and Common Shares from 2016 through 2019 under two fully-executed option agreements.

On May 27, 2016, the Company optioned the primary Lucky Strike Project property from Ashley Gold Mines Ltd. ("**Ashley Gold**") under a property option agreement, which was ultimately amended in May 2019, and fully executed in November 2019. Under the terms of this agreement, the Company paid $115,000 and issued Common Shares equivalent to $80,000 to Ashley

Gold. The option agreement included an underlying NSR payable to Wallbridge Mining Company, which covers a small portion of the applicable claims, with most of the claims carrying no NSR.

On July 26, 2017, the Company optioned the Vallillee extension claims west of the primary Lucky Strike Project and this option agreement was fully executed July 2018. Under the terms of the agreement the Company paid $40,000 and issued a 2% NSR in favour of the optionors.

In April 2020, the Company staked an additional 70 unpatented mining cells on the west side of the Lucky Strike Project. These lands carry no NSR.

On May 7, 2020, the Company completed a claim purchase agreement with Eric Marion to purchase 21 unpatented mining claim cells adjacent to the east of the Lucky Strike Project. Under the terms of the agreement the Company paid $25,000. The claims carry no NSR.

For the purpose of NI 43-101, the Lucky Strike Project is not a material property of the Company.

USE OF PROCEEDS

Available Funds

Under the Offering, assuming the Agents do not exercise the Agents' Option, the Company will receive minimum net proceeds of $14,190,000 and maximum net proceeds of $23,590,000 after deduction of the Commission (assuming $3,000,000 is raised from President's List Sales). The Company estimates receiving minimum net proceeds of $13,200,000 and maximum net proceeds of $22,600,000 after deduction of the Commission (assuming $3,000,000 is raised from President's List Sales), estimated expenses of the Offering of $750,000 and the $240,000 cash advisory fee.

If the Agents' exercise the Agents' Option in full, the estimated net proceeds to the Company from the Offering will be a minimum of $15,315,000 and a maximum of $26,125,000 after deduction of the Commission (assuming $3,000,000 is raised from President's List Sales), estimated expenses of the Offering of $750,000 and the cash advisory fee of $240,000.

The working capital of the Company on the last day of the month before filing the Prospectus was $ 35,202,370. The Company intends to use the funds available to it following completion of the Offering as follows:

	Minimum Offering	Maximum Offering
Estimated Expenses	$750,000	$750,000
Exploration Program of Queensway Project		
Drilling Program	$18,410,000	$18,410,000
Till Sampling Program	$2,800,000	$2,800,000
GGN Trenching Program	$200,000	$200,000
GGS Trenching Program	$325,000	$325,000
General and administrative expenses	$5,000,000	$5,000,000
Unallocated working capital	$20,917,370	$30,317,370
Total:	$48,402,370	$57,802,370

Upon completion of the minimum Offering, the Company will have sufficient funding for the next 12 month period to fund operations and to carry out the recommended Exploration Program on the Queensway Project and the Company's other mineral properties. The Company expects to advance exploration on the Queensway Project using the net proceeds of the Offering, as described above. The Company plans to advance exploration of the Queensway Project by undertaking the Drilling Program, Till Sampling Program, GGN Trenching Program and GGS Trenching Program as recommended by the author of the Queensway Technical Report.

A breakdown of the general and administration expenses of the Company following the Offering is set out below:

Rent	$225,000

General	$3,395,000
Travel Expenses	$480,000
Filing, Accounting and Audit Costs	$540,000
Legal Costs	$360,000
Total:	$5,000,000

In response to the COVID-19 pandemic, exploration at the Queensway Project may be impacted by provincial and federal government restrictions on the Company's operations. Potential stoppages on exploration activities could result in additional costs, project delays, cost overruns, and operational restart costs. The total amount of funds that the Company needs to carry out the Exploration Program may increase from these and other consequences of the COVID-19 pandemic.

The Company's unallocated working capital will be available for further exploration work on the Queensway Project, if such work is warranted based on results from the exploration programs currently planned. If not required for further work on the Queensway Project, those funds will be available for acquisition, exploration or development of other mineral properties.

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, exploration results, property status and or for other circumstances, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives. Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds, including the net proceeds of the Offering, if necessary. If management determines that a reallocation of funds is necessary, the Company may redirect its available funds, including the net proceeds of the Offering, to purposes other than as described in this Prospectus. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under "*Risk Factors*".

Business Objectives and Milestones

The primary business objectives of the Company with respect to the use of its available funds over the next 18 months are as follows:

Business Objectives:	Expected Time Period	Expected Operating Cost to Achieve Business Objectives			
A. Complete Phase 1 Program	**Q2-Q4 -2020**	**Phase 1 Program**	**Item**	**Units**	**Total**
1. Complete substantial follow up drilling around prior high grade intersections at the Queensway Project, some closed space geophysical surveying to define high grade epizonal gold mineralization.			Drilling	25,000	$4,500,000
			Prospecting/Mapping		$300,000
			Gravity Modelling		$200,000
2. Drill testing of traditionally generated and machine learning targets outside of known areas.			Tills	750	$750,000
			Trenching	30	$300,000
		Total			$6,050,000

	Q1-Q4 2021
B. Complete Phase 2 Program	
1. Use knowledge gained from Phase 1 Diamond Drilling Program to initiate a more detailed dripping program.	
2. Continue development of structural model.	
3. Investigate structural relationships and mineralizing evens across the GGN region of the Queensway Project, surface and drill core.	
4. Conduct surface level field work at the GGS region of the Queensway Project, complete early stage data collection and advanced target testing (trenching, drilling).	

Phase 2 Program	Item	Units	Total
	Drilling	750,000	$13,500,000
	Airborne Gravity		$1,200,000
	Prospecting and Mapping		$300,000
	Trenching	20	$225,000
	Regional Drilling	2,000	$360,000
Total			$15,585,000

In March of 2020, the Company contracted CGG Canada Services Ltd. based on Ottawa, Ontario, to conduct a 1,705 km HeliFALCON Airborne Gravity Gradiometer and Aeromagnetic Survey over the licenses in the north part of the Queensway Project. This highly advanced gravity and magnetic system has been deployed by the Company to further aid in the definition of geological and structural controls of mineralization. The Company anticipates completing the phase 1 program described above by Q4 of 2020 and the phase 2 program described above by Q4 of 2021**.** The total anticipated budget for completing the phase 1 program and phase 2 program over next eighteen months is approximately $22,335,000.

Unutilized net proceeds of the Offering, if any, will be added to the working capital of NFG.

Negative Operating Cash Flow

By the nature of its business as a mineral exploration company, the Company has negative cash flow from its operating activities and generates no revenue from the exploration activities on its mineral properties. The Company anticipates that it will continue to have negative cash flow until such time as commercial production may be achieved on one or more of its mineral properties. See "*Risk Factors – Negative Cash Flow from Operating Activities*".

Since its inception in January 2016, the Company has generated negative operating cash flows. The Company does not expect to generate positive cash flows until one or more of its mineral properties enters into commercial production. The Company has to this date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Agency Agreement dated ●, 2020, among the Company and the Agents, the Company has appointed the Agents to act as its exclusive agents to offer for sale, on a best efforts basis, a minimum of ● up to a maximum of ● Shares for minimum gross proceeds $15,000,000 and maximum gross proceeds up to $25,000,000, subject to the terms and conditions of the Agency Agreement. The price of the Shares was determined by negotiation between the Company and the Agents.

The obligations of the Agents under the Agency Agreement may be terminated by it at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the

occurrence of certain stated events, including industry standard "market out", "material adverse change" and "regulatory proceedings out" provisions.

The Company has agreed to grant to the Agents the Agents' Option to purchase that number of Agents' Option Shares as is equal to 15% of the number of Shares sold pursuant to the Offering at a price of $● per Agents' Option Share for a period of 30 days following the Closing Date, to cover the Agents' over-allocation position, if any, and for market stabilization purposes. This Prospectus qualifies the distribution of the Agents' Option and the Agents' Option Shares. A purchaser who acquires Agents' Option Shares forming part of the Agents' over-allocation position acquires those Agents' Option Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Agents' Option or secondary market purposes.

In consideration for the services provided by the Agents in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Company will pay the Agents the Commission, equal to the sum of (i) 6.0% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Agents' Option), other than the gross proceeds raised from President's List Sales and (ii) 3.0% of the gross proceeds raised from President's List Sales, payable in cash from the proceeds of the sale of the Shares. The Agents will also receive, as additional compensation, Broker Warrants to purchase that number of Shares that is equal to 6.0% of the Shares sold pursuant to the Offering (including any Agents' Option Shares sold pursuant to the exercise of the Agents' Option), but excluding the Shares sold pursuant to President's List Sales. In connection with the President's List Sales, the Agents will receive Broker Warrants to purchase that number of Shares that is equal to 3.0% of the Shares sold pursuant to the President's List Sales. Each Broker Warrant is exercisable to purchase one Common share at a price of $● for a period of 12 months from the Closing Date. The Company will also pay Canaccord a cash advisory fee equal to $240,000 at Closing. This Prospectus qualifies the distribution of the Broker Warrants and the Shares issuable to the Agents upon exercise of the Broker Warrants.

The Company has agreed to reimburse the Agents for certain costs and expenses in connection with the Offering, which are included in the estimated expenses of the Offering. See "*Use of Proceeds*".

If the Offering is not completed because of an Alternative Transaction (defined herein), which is entered into by the Company or any of its shareholders at any time after May 12, 2020 and prior to the date which is six months after the delivery by the Company to Canaccord of notification of such Alternative Transaction, the Company shall pay to Canaccord, in addition to any costs and expenses owing under the Agency Agreement, a compensation fee (the "**Alternative Transaction Fee**") in a cash amount equal to: (i) $250,000, if Canaccord is advised of such determination at any time prior to the first meeting of the roadshow (the "**Roadshow Launch**"), (ii) C$500,000, if Canaccord is advised of such determination at any time after the Roadshow Launch and prior to the pricing of the Offering, and (iii) the full commission that would otherwise be paid on the successful completion of the Offering, for the maximum proceeds as set out this Prospectus (exclusive of the exercise of the Agents' Option), if Canaccord is advised of such determination after the filing of the final Prospectus. The Alternative Transaction Fee will be paid by the Company on the date of the completion of such Alternative Transaction. Should the Company retain Canaccord as an advisor in respect of such Alternative Transaction, the amount of any Alternative Transaction Fee paid to Canaccord thereunder shall be credited towards the amount of any fee payable by the Company to Canaccord in connection with such advisory mandate. Notwithstanding the foregoing, no payment shall be payable if (i) Canaccord terminates the Agency Agreement or the Company terminates the Agency Agreement as a result of a breach of the Agency agreement by Canaccord; or (ii) the closing of the Offering. Canaccord shall be entitled to not more than a payment of one Alternative Transaction Fee.

For the purposes thereof, "Alternative Transaction" means any of: (i) an issuance of new equity securities by the Company that raises net cash proceeds to the Company of no less than C$5,000,000, or (ii) a transaction or series of transactions whereby any person acquires not less than 50% of the then outstanding Common Shares by means of a take-over bid, arrangement or other business combination.

The Agents, or registered sub-agents who assist the Agents in the distribution of the Shares offered hereunder, conditionally offer the Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Blake, Cassels & Graydon LLP, and on behalf of the Agents by Stikeman Elliott LLP. Subscriptions for Shares will be payable to the Company against delivery of the Shares.

Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about ●, 2020 or such other date as is mutually agreed by the Company and the Agents, but, in any event, not later than ●, 2020. There will be no closing unless a minimum of ● Shares are sold. If subscriptions for a minimum of ● Shares have not been received within 90 days after a receipt is obtained for this Prospectus, this Offering may not continue and subscription proceeds will be returned to subscribers, without interest or deduction, unless consent is obtained from those who have subscribed for Shares on or before such date. It is anticipated that the Shares will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Shares will receive only a customer confirmation from the registered dealer from or through which the Shares are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Shares on behalf of owners who have purchased Shares in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. After a reasonable effort has been made to sell all of the Shares at the price stated above, the Agents may offer the Shares at a price lower than that stated above. Any such reduction will not affect the net proceeds to be received by the Company under the Offering.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the U.S. (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Company has applied to the TSXV to have the Shares listed on the TSXV under the symbol “NFG”. The listing of the Shares on the TSXV will be conditional upon the Company fulfilling all of the listing requirements and conditions of the TSXV.

Minimum Subscription and Conditions of Closing

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- A minimum of ● Shares for gross proceeds of $15,000,000 must be sold under the Offering.
- The TSXV must approve the Shares for listing. Listing of the Shares will be subject to the Company fulfilling all of the listing requirements and conditions of the TSXV, which cannot be guaranteed.

The Company has agreed to indemnify and hold harmless the Agents, and their subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling the Agents, or any of their respective subsidiaries and affiliates, from and against certain liabilities and expenses.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agents may over-allot or effect transactions that stabilize or maintain the market price of Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

The Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Each Agent has agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable United States federal and state securities laws, it will not offer or sell the Shares at any time in the United States as part of its distribution. The Agency Agreement permits the Agents offer Shares to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in the United States in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Agency Agreement provides that the Agents will offer and sell the Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Shares that are offered or sold in

the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

All subscription proceeds will be paid to the Agents in trust, and held by the Agents in trust, pending attainment of the minimum subscription of Shares and fulfillment of the other conditions set out in the Agency Agreement. The Agents will release those funds to the Company on closing of the Offering.

If subscriptions for the minimum Offering are not received within 90 days following the issuance of a receipt for this Prospectus, the Offering will not continue unless each person or company which has subscribed to the Offering during that period consents to the continuation. During the 90 day period referred to herein (or until the minimum Offering is subscribed for and the Offering is closed, if that should occur prior to the expiry of the 90 day period), all funds received from subscriptions will be held by the Agents. If the minimum Offering is not subscribed for in such period, the funds will be returned to the subscribers without any deductions unless the subscribers have otherwise instructed the Agent.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Shares are offered at a price of $● per Share.

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date of this Prospectus, there were 100,700,231 Common Shares issued and outstanding.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Company's Articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company's shareholders.

DIVIDEND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not currently pay dividends and does not intend to pay dividends in the foreseeable future. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and its subsidiaries and such other factors

as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Risks Related to the Company – Dividends*".

CONSOLIDATED CAPITALIZATION

There have been the following material changes in the Company's share capital since March 31, 2020, the date of its most recently completed financial period (the Company has no loan capital as of the date of this Prospectus):

- the issuance of 68,462 Common Shares pursuant to the closing of the second and final tranche of a private placement at $1.30 per Common Share and the issuance of 4,107 Finder Warrants in connection with such private placement with an exercise price of $1.30 per Common Share, which expire on June 10, 2022;

- the issuance of 1,227,753 Common Shares pursuant to the closing of the second and final tranche of a private placement at $1.50 per Common Share and the issuance of 28,230 Finder Warrants in connection with such private placement with an exercise price of $1.50 per Common Share, which expire on June 4, 2022;

- the issuance of 2,766,844 Common Shares pursuant to the closing of the first tranche of a private placement at $1.50 per Common Share and the issuance of 36,052 Finder Warrants in connection with such private placement with an exercise price of $1.50 per Common Share, which expire on May 13, 2022;

- the issuance of 797,923 Common Shares pursuant to the closing of the first tranche of a private placement at a price of $1.30 per Common Share and the issuance of a total of 39,475 Finder Warrants in connection with such private placement with an exercise price of $1.30, which expire on May 12, 2022; and

- the issuance of 1,915,000 Common Shares pursuant to the exercise of Options issued under the Stock Option Plan.

The Company anticipates issuing a minimum of ● and a maximum of ● Shares pursuant to the Offering a minimum of ● and a maximum of ● Shares if the Agents' Option is exercised in full. On completion of the Offering, the Company will have a minimum of ● and a maximum of ● Common Shares issued and outstanding a minimum of ● and a maximum of ● Common Shares issued and outstanding if the Agents' Option is exercised in full). There will be no material change to the Company's loan capital that will result from the completion of the Offering.

The following table sets forth the consolidated share capitalization of the Company as at March 31, 2020 on an actual basis and on a pro forma basis as adjusted to give effect to the completion of the Offering. Investors should read the following information in conjunction with the Company's audited and unaudited consolidated financial statements and related notes thereto, along with the associated MD&A, included in this Prospectus.

Designation	Amount Authorized	Amount Outstanding as of March 31, 2020	Amount Outstanding as of the Date of this Prospectus after giving effect to the minimum Offering	Amount Outstanding as of the Date of this Prospectus after giving effect to the maximum Offering
Common Shares	Unlimited	93,924,249	●	●
Options	10% of the total number of issued and outstanding Common Shares	7,885,000	●	●
2019 Warrants	N/A	16,000,000	16,000,000	16,000,000
Finder Warrants	N/A	Nil.	107,864	107,864

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets forth the aggregate number of Options which are outstanding as at the date of this Prospectus.

Holder of Options	Common Shares Under Options Granted	Exercise Price (C$ per Common Share)	Grant Date	Vesting Conditions	Expiry Date
Executive and other officers of NFG, as a group [1]	250,000	$0.40	October 1, 2018	Fully vested	September 30, 2023
	2,775,000	$0.50	December 17, 2019	Fully vested	December 17, 2024
	2,000,000	$1.00	April 13, 2020	Fully vested	April 13, 2025
	1,595,000	$1.075	May 23, 2020	Fully vested	May 23, 2025
Total	**6,620,000**				
Directors (who are not also executive officers) of NFG, as a group [2	750,000	$0.50	December 17, 2019	Fully vested	December 17, 2024
	50,000	$1.00	April 13, 2020	Fully vested	April 13, 2025

Holder of Options	Common Shares Under Options Granted	Exercise Price (C$ per Common Share)	Grant Date	Vesting Conditions	Expiry Date
	25,000	$1.075	May 23, 2020	Fully vested	May 23, 2025
Total	**825,000**				
Consultants of NFG, as a group	100,000	$0.15	January 31, 2017	Fully vested	February 20, 2022
	100,000	$0.40	October 1, 2018	Fully vested	September 30, 2023
	745,000	$0.50	December 17, 2019	Fully vested	December 17, 2024
	250,000	$1.00	April 13, 2020	Fully vested	April 13, 2025
	50,000	$1.075	May 23, 2020	Fully Vested	May 23, 2025
Total	**1,245,000**				
Any other person or company, other than the Agent	1,250,000	$0.15	January 31, 2017	Fully vested	February 20, 2022
TOTAL OPTIONS	**9,940,000**				

Notes:

(1) Total of four persons**,** being the Executive Chairman, Chief Executive Officer, President and Chief Operating Officer. As of the date of this Prospectus the Chief Financial Officer does not hold any Options.

(2) Total of two persons, being John Anderson and Dr. Quinton Hennigh.

Stock Option Plan

On June 17, 2020, the shareholders of the Company approved the Stock Option Plan. The purpose of the Stock Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long terms goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. Upon becoming a reporting issuer, the Company will be required to obtain shareholder approval of the Stock Option Plan on a yearly basis in accordance with the policies of the TSXV. The general terms and conditions of the Stock Option Plan are reflected in the disclosure below.

Key Terms	Summary

Administration	The Stock Option Plan will be administered by the Board, or such director or other senior officer or employee of the Company as may be designated as administrator by the Board. The Board or such committee may make, amend and repeal at any time, and from time to time, such regulations not inconsistent with the Stock Option Plan.
Number of Shares	The maximum number of Common Shares issuable under the Stock Option Plan shall not exceed 10% of the number of Common Shares issued and outstanding as of each the date on which the Board grants the Option (the "**Award Date**"). The number of Shares underlying Options that have been cancelled, that have expired without being exercised in full, and that have been issued upon exercise of Options shall not reduce the number of Shares issuable under the Plan and shall again be available for issuance thereunder.
Securities	Each Option entitles the holder thereof (an "**Option Holder**") to purchase one Common Share at an exercise price determined by the Board.
Participation	Any director, senior officer, management company, employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.
Exercise Price	The exercise price of an Option will be determined by the Board in its sole discretion, provided that the exercise price will not be less than the Discounted Market Price (as defined in the policies of the TSXV)(or, if the Common Shares are not listed for trading on the TSXV, then the permittable discounted market price on such exchange or quotation system on which the Common Shares are then listed or quoted for trading) or such other price as may be required or permitted by the TSXV from time to time.
Exercise Period	The exercise period of an Option will be the period from and including the Award Date through to and including the expiry date that will be determined by the Board at the time of grant (the "**Expiry Date**"), provided that the Expiry Date of an Option will be no later than the tenth anniversary of the Award Date of the Option, provided that such date does not fall within a Blackout Period (as defined in the Stock Option Plan).
Cessation of Employment	Subject to certain limitations, in the event that an Option Holder ceases employment with the Company, other than by reason of death, the Expiry Date of the Option will be 90 days after the date which the Option Holder ceases employment (the "**Termination Date**"), unless the Option Holder is terminated for cause, in which case the Expiry Date will be the Termination Date. In the event that an Option Holder should die while he or she is still director, senior officer, management company, employee or consultant of the Company, the Expiry Date will be 12 months from the date of death of the Option Holder. Subject to certain limitations, any unvested Option which vests on or after the Termination Date (or date of death, if applicable) but prior to the Expiry Date, will be exercisable by the Option Holder until the Expiry Date. Any unvested Option held by an Option Holder who ceases employment as a result of termination for cause, will not vest and will terminate as of the Termination Date. In the event that the Option Holder holds his or her Option as an employee or consultant retained by the Company to provide Investor Relations Activities (as defined in the TSXV's Corporate Finance Manual), and ceases to be an employee or consultant of the Company other than by reason of death, the Expiry Date will be the date such Option Holder ceases to be an employee or consultant of the Company.

Acceleration Events

If the Company seeks shareholder approval for a transaction which would constitute an Acceleration Event (as defined in the Stock Option Plan) or third party makes a bona fide formal offer to the Company or its shareholders which would constitute an Acceleration Event, the Board may (i) permit the Option Holders to exercise their Options, as to all or any of such Options that have not previously been exercised (regardless of any vesting restrictions), but in no event later than the Expiry Date of the Option, so that the Option Holders may participate in such transaction; and (ii) require the acceleration of the time for the exercise of the Options and of the time for the fulfilment of any conditions or restrictions on such exercise.

Notwithstanding any other provision of the Stock Option Plan or the terms of any Option, if at any time when Options remains unexercised and the Company completes any transaction which constitutes an Acceleration Event, all outstanding unvested Options will automatically vest.

Any proposed acceleration of vesting provisions is subject to the policies and necessary approvals of the TSXV, if applicable.

Limitations

The maximum number of Common Shares which may be issuable, at any time, to Insiders (as defined in the Stock Option Plan) under the Stock Option Plan, together with any other share-based compensation arrangements of the Company, will be 10% of the total number of Common Shares issued and outstanding. The maximum number of Common Shares which may be issued, within any one-year period, to Insiders under the Stock Option Plan, together with any other share-based compensation arrangements of the Company, will be 10% of the total number of Common Shares issued and outstanding. The total number of Options awarded to any one individual in any twelve-month period will not exceed 5% of the issued and outstanding Common Shares of the Company at the Award Date unless the Company has obtained disinterested shareholder approval as required by the TSXV.

The total number of Options awarded to any one consultant of the Company in any twelve-month period will not exceed 2% of the issued and outstanding Common Shares of the Company at the Award Date unless consent is obtained from the TSXV.

The total number of Options awarded to all persons retained by the Company to provide Investor Relations Activities will not exceed 2% of the issued and outstanding Common Shares of the Company, in any twelve-month period, calculated at the Award Date unless consent is obtained from the TSXV. Options granted to persons retained to provide Investor Relations Activities will vest in stages over not less than twelve months with no more than one quarter of the options vesting in any three-month period.

Amendments

Subject to certain exceptions and any applicable regulatory approval, the Board may amend the Stock Option Plan and the terms and conditions of any Option previously awarded or thereafter to be awarded for the purpose of complying with any changes in any relevant law, TSXV policy, rule or regulation applicable to the Stock Option Plan, any Option or the Common Shares, or for any other purpose which the Board may deem desirable or necessary and may be permitted by all relevant laws, rules and regulations, provided that any such amendment will not materially impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

The Board may only amend the provisions of the Stock Option Plan relating to the following if the Board obtains the approval of the shareholders of the Company: (i) persons eligible to be granted Options under the Stock Option Plan; (ii) the maximum number or percentage of Common Shares reserved for issuance upon exercise of Options available under the Stock Option Plan; (iii) the limitations on grants of Options to any one person, Insiders, consultants, or persons involved in Investor Relations Activities; (iv) the method for determining the exercise price for Options; (v) the maximum term of

	Options; (vi) the expiry and termination provisions applicable to Options; or (vii) amendments to the amendment provisions of the Stock Option Plan. Disinterested shareholders of the Company must approve any amendment to Options held by an Insider at the time of the amendment that would have the effect of decreasing the exercise price of such Options.
Termination	The Board may terminate the Stock Option Plan any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination, the Company, such Options and such Option Holders shall continue to be governed by the provisions of the Stock Option Plan.

Warrants

As of the date of this Prospectus there were 16,107,864 common share purchase warrants outstanding, comprised of: (i) 4,107 Finder Warrants entitling the holder thereof to acquire one Common Share at price of $1.30 per Common Share until June 10, 2022 (ii) 28,230 Finder Warrants entitling the holder thereof to acquire one Common Share at a price of $1.50 per Common Share until June 4, 2022; (iii) 36,052 Finder Warrants entitling the holder thereof to acquire one common share at a price of $1.50 per Common Share until May 13, 2020, (iv) 39,475 Finder Warrants entitling the holder thereof to acquire one Common Share at a price of $1.30 per Common Share, until May 12, 2022; (v) 16,000,000 2019 Warrants entitling the holders thereof to acquire on Common Share at a price of $0.75 per Common Share until November 29, 2022, or within five days of the holders thereof receiving written notice that the Company signed an underwriting agreement in connection with an initial public offering of its Common Shares.

The following table sets forth the aggregate number of Warrants, which are outstanding as at the date of this Prospectus:

Holder of Warrants	Number of Warrants Held	Exercise Price (C$ per Common Share)	Issue Date	Market Value of Common Shares Under Warrants [1]	Expiry Date
Executive and other officers of NFG, as a group	Nil.	N/A	N/A	N/A	N/A
Directors (who are not also executive officers) of NFG, as a group	Nil.	N/A	N/A	N/A	N/A
Consultants of NFG, as a group	Nil.	N/A	N/A	N/A	N/A
	4,107 [2]	$1.30	June 10, 2020	N/A	June 10, 2022

Holder of Warrants	Number of Warrants Held	Exercise Price (C$ per Common Share)	Issue Date	Market Value of Common Shares Under Warrants [1]	Expiry Date
Any other person or company, other than the Agents	28,230 [3]	$1.50	June 4, 2020	N/A	June 4, 2022
	36,052 [4]	$1.50	May 13, 2020		May 13, 2022
	39,475 [5]	$1.30	May 12, 2020	N/A	May 12, 2022
	16,000,000 [6]	$0.75	November 29, 2019	N/A	November 29, 2022 [7]
TOTAL	**16,107,864**				

Notes:

(1) Market value of the Common Shares under option is not reasonably ascertainable on the grant date or another date given that the Common Shares are not and have never been publicly traded or listed.
(2) Finder Warrants issued in connection with 2020 Flow-Through Private Placements.
(3) Finder Warrants issued in connection with 2020 Flow-Through Private Placements.
(4) Finder Warrants issued in connection with 2020 Flow-Through Private Placements.
(5) Finder Warrants issued in connection with 2020 Flow-Through Private Placements.
(6) 2019 Warrants issued in connection with 2019 November Private Placement.
(7) The expiry date of the 2019 Warrants accelerates to five days following the date the holders thereof receive notice that the Company executed an underwriting agreement in connection with an initial public offering of the Company's Common Shares.

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities that are convertible or exchangeable into Common Shares in the 12 months prior to the date of this Prospectus:

Issue Date	Type of Security	Number Issued	Issue Price	Exercise Price	Description of Issuance
June 10, 2020	Finder Warrant	4,107	N/A	$1.30	Finder Warrants issued to certain finders in connection with 2020 Flow-Through Private Placements
June 10, 2020	Common Shares	68,462	$1.30	N/A	Issued pursuant to 2020 Flow-Through Private Placements
June 4, 2020	Finder Warrant	28,230	N/A	$1.50	Finder Warrants issued to certain finders in connection with 2020 Flow-Through Private Placements

June 4, 2020	Common Shares	1,227,753	$1.50	N/A	Issued pursuant to 2020 Flow-Through Private Placements
May 23, 2020	Options	1,670,000	$1.075	N/A	Options issued pursuant to the Stock Option Plan
May 22. 2020	Common Shares	85,000	$0.50	$0.50	Issued pursuant to exercise of Options issued under the Stock Option Plan
May 19, 2020	Common Shares	250,000	$0.50	$0.50	Issued pursuant to exercise of Options issued under the Stock Option Plan
May 14, 2020	Common Shares	580,000	$0.15	$0.15	Issued pursuant to exercise of Options issued under the Stock Option Plan
May 13, 2020	Finder Warrant	36,052	N/A	$1.50	Finder Warrants issued to certain finders in connection with 2020 Flow-Through Private Placements
May 13, 2020	Common Shares	2,766,844	$1.50	N/A	Issued pursuant to first tranche of 2020 Flow-Through Private Placements
May 12, 2020	Finder Warrant	39,475	N/A	$1.30	Finder Warrants issued to certain finders pursuant to 2020 Flow-Through Private Placements
May 12, 2020	Common Shares	797,923	$1.30	N/A	Issued pursuant to 2020 Flow-Through Private Placements
April 29, 2020	Common Shares	200,000	$0.50	$0.50	Issued pursuant to exercise of Options issued under the Stock Option Plan
April 15, 2020	Common Shares	800,000	$0.50	$0.50	Issued pursuant to the exercise of Options issued under the Stock Option Plan
April 15, 2020	Options	2,300,000	$1.00	$1.00	Options issued pursuant to the Stock Option Plan
March 6, 2020	Common Share	15,000,000	$1.00	N/A	Issued pursuant to Novo Transaction
December 17, 2019	Options	5,605,000	$0.50	$0.50	Options granted pursuant to the Stock Option Plan
November 29, 2019	Common Share	16,000,000	$0.50	N/A	Issued as share component of units

					issued pursuant November 2019 Private Placement
November 29, 2019	Warrant	16,000,000	$0.75	$0.75	Issued as warrant component of units issued pursuant November 2019 Private Placement
November 21, 2019	Common Share	100,000	$0.40	N/A	Issued pursuant to property option agreement
July 15, 2019	Common Share	112,500	$0.40	N/A	Issued pursuant to property option agreement
July 3, 2019	Common Share	1,250,000	$0.40	N/A	Issued pursuant to July 2019 Private Placement
June 18, 2019	Common Share	1,875,000	$0.40	N/A	Issued pursuant to June 2019 Private Placement
June 11, 2019	Common shares	249,999	$0.40	N/A	Issued pursuant to property option agreements

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**") provides that all securities of an issuer owned or controlled by a Principal (as defined in NP 46-201) must be placed in escrow at the time the issuer distributes its securities or convertible securities to the public by prospectus pursuant to an initial public offering.

The following table sets forth, as of the date of this Prospectus, the number of securities of each class of securities of the Company held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	64,949,500	64.5%

On or before the Offering, Palisade Goldcorp Ltd, Novo Resources Corp., Collin Kettell, Denis Laviolette, Craig Roberts and John Anderson, Greg Matheson, and Michael Kanevsky (collectively, the "**Principals**"), will enter into an escrow agreement (the "**Escrow Agreement**") with Computershare Trust Company of Canada, as escrow agent (the "**Escrow Agent**"), pursuant to which the Principals will collectively deposit 64,949,500 Common Shares into escrow (the "**Escrowed Securities**") with the Escrow Agent, representing 64.5% of the issued and outstanding Common Shares prior to giving effect to the Offering (or ● % of the issued and outstanding Common Shares after giving effect to the Offering).

In accordance with NP 46-201, the Escrowed Securities will be subject to a three-year escrow and subject to the following release scheduled:

Date	Amount of Escrowed Securities Released
On the Offering Date	1/10th of the Escrowed Securities
6 months after the Offering Date	1/6th of the remaining Escrowed Securities

12 months after the Offering Date	1/5th of the remaining Escrowed Securities
18 months after the Offering Date	1/4th of the remaining Escrowed Securities
24 months after the Offering Date	1/3rd of the remaining Escrowed Securities
30 months after the Offering Date	1/2 of the remaining Escrowed Securities
36 months after the Offering Date	the remaining Escrowed Securities

Statutory Hold Periods

In addition to the foregoing, securities legislation imposes certain resale restrictions on securities issued within the four months preceding the Offering, such hold periods are governed by NI 45-102 – *Resale of Securities*. All certificates representing securities subject to these restrictions will bear legends indicating the applicable hold periods.

Securities Subject to Lock-Up Agreement

Pursuant to the Agency Agreement, shareholders of the Company holding at least 5% of the Common Shares at the closing of the Offering, and each of the Company's senior officers and directors, will enter into lock up agreements with the Co- Lead Agents pursuant to which each such person will agree not to, directly or indirectly, issue, sell or grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement that consequences of which is to alter economic exposure to, or any intention to do so, in any manner whatsoever, any additional equity or quasi-equity securities for a period of 180 days after the Closing Date without prior written consent of the Co-Lead Agents, such consent not to be unreasonably withheld, except, as applicable in the case of the company or any applicable individual, in conjunction with: (i) the grant or exercise of Options and other similar issuances, in each case pursuant to the Stock Option Plan and other share compensation arrangements; (ii) the exercise of outstanding warrants; (iii) obligations of the Company in respect of existing mineral property agreements; (iv) the Agents' Option; and (v) the issuance of securities by the Company in connection with property or share acquisitions in the normal course of business, or (vi) in the case of an individual, in order to accept a bona fide take-over bid made to all shareholders or similar business combination transaction, subject to the exception that Canaccord acknowledged that the Company would use commercially reasonable efforts to obtain lock-up agreements from certain significant arms-length shareholders.

PRINCIPAL SECURITYHOLDERS

The following table sets forth information regarding ownership of the Common Shares as at the date of this Prospectus by (i) each person or company who, to the Company's knowledge, beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares.

Name	Number and type of securities	Type of Ownership	Percentage of Class(1)	Percentage of Class (fully diluted)(2)
Palisades Goldcorp Ltd. (3)	45,149,500 Common Shares	Beneficial and of record	44.8%	35.6%
Novo Resources Corp.	15,000,000 Common Shares	Beneficial and of record	14.9%	11.8%
Eric Sprott(4)	13,250,000 Common Shares	Beneficial	13.21%	19.9%(5)

(1) Based on 100,700,231 outstanding Common Shares as of the date of this Prospectus.
(2) Based on 126,744,257 outstanding Common Shares on a fully diluted basis, assuming the exercise of all outstanding Warrants and Options.
(3) The principal securityholder(s) of Palisades Goldcorp Ltd. is Collin Kettell.
(4) Mr. Sprott holds his securities in the Company through a wholly-owned corporation.

(5) Mr. Sprott holds 12,000,000 2019 Warrants, which shall be exercised or shall expire prior to Closing. The % above assumes the exercise of Mr. Sprott's 2019 Warrants, which will increase the number and type of securities held by Mr. Sprott to 25,250,000 Common Shares. See "*Consolidated Capitalization – Warrants*"

DIRECTORS AND EXECUTIVE OFFICERS

To the Company's knowledge as at the date of this Prospectus, following completion of the Offering, its directors and executive officers as a group (excluding the purchase of any Shares by any directors and executive officers under the Offering) will beneficially own, or control or direct, directly or indirectly, ● Common Shares, representing approximately ●% of the outstanding Common Shares on a non-diluted basis following the completion of the Offering (or approximately ●% on a non-diluted basis, assuming the Agent's Option is exercised in full).

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the first annual meeting of shareholders of the Company.

Name and Residence	Position(s) and Office(s) with NFG[1]	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held[1]
Collin Kettell, Puerto Rico, United States	Executive Chairman and Director	Businessman	January 21, 2016	Nil[2]
Craig Roberts British Columbia, Canada	Chief Executive Officer and Director	Businessman	December 17, 2019	1,300,000 [3] 1,2%)
Denis Laviolette Ontario, Canada	President and Director	Businessman	January 21, 2016	3,500,000[4] 3.4%)
Greg Matheson, Ontario, Canada	Chief Operating Officer	Professional Geologist	-	Nil[5]
Michael Kanevsky, British Columbia, Canada	Chief Financial Officer	Chartered Professional Accountant	-	Nil
John Anderson, British Columbia, Canada	Director	Businessman	April 20, 2018	Nil[6]
Dr. Quinton Hennigh	Director	Economic Geologist	June 17, 2020	Nil [7]

Notes:

(2) Mr. Kettell holds 2,545,000 Options, entitling him to acquire an additional 2,545,000 Common Shares.
(3) Mr. Roberts also holds 1,925,000 Options, entitling him to acquire an additional 1,925,000 Common Shares.
(4) Mr. Laviolette also holds 1,700,000 Options, entitling him to acquire an additional 1,700,000 Common Shares.
(5) Mr. Matheson also holds 450,000 Options, entitling him to acquire an additional 450,000 Common Shares.
(6) Mr. Anderson also holds 500,000 Options, entitling him to acquire an additional 500,000 Common Shares.
(7) Dr. Quinton Hennigh holds 300,000 Options, entitling him to acquire an additional; 300,000 Common Shares

Director and Executive Officer Biographies

Collin Kettell, Executive Chairman and Director

Mr. Kettell is the Executive Chairman and founder of Palisades Goldcorp Ltd.., a resource focused merchant bank, primarily investing in the junior resource sector. Mr. Kettell is also co-founder of GoldSpot Discoveries Inc., an Ontario-based technology company that is the leader in machine learning and artificial intelligence as it pertains to the resource exploration business ("**GoldSpot Discoveries**"). Additionally, Mr. Kettell is the Founder and CEO of Victory Metals, a leading vanadium developer in Nevada. Mr. Kettell comes from a family with deep ties to mining, including co-founding AuEx Ventures Inc., the company responsible for discovering the Long Canyon deposit, a project ultimately acquired by Newmont Corporation for $2.3 billion.

Craig Roberts, P.Eng., Chief Executive Officer and Director

Mr. Roberts is a mining engineer with over 35 years of operations, consulting and investment banking experiences. Mr. Roberts experience includes work on feasibility studies for numerous mining projects worldwide, investment banking and due diligence roles in over 200 institutional equity financings. Mr. Roberts significant experience includes advising management and boards on merger and acquisition transactions. Mr. Roberts currently serves as President and CEO of Ethos Gold, and as a director of K2 Gold, Victory Metals, and Global Battery Metals.

Denis Laviolette, President and Director

Mr. Laviolette has more than 10 years of experience in mining and capital markets. Mr. Laviolette is a co-founder, CEO and President of GoldSpot Discoveries. Mr. Laviolette worked with mineral projects in Timmins, Kirkland Lake, and Red Lake, managed all aspects of a mining operation in Ghana, was previously a mining analyst with Pinetree Capital Ltd. and the founder and Chief Executive Officer of GoldSpot Discoveries. Mr. Laviolette currently serves as a director with GoldSpot Discoveries and Xtra-Gold Resources.

Greg Matheson, P.Geo., Chief Operating Officer

Mr. Matheson is a professional geologist with over 12 years managing gross roots exploration through to advanced projects. Mr. Matheson is the former exploration manager of Northern Gold Mining Inc., a senior project manager for Oban Mining Corp. and Osisko Mining Corp. Mr. Matheson is responsible for the discovery and delineation of the >2.0M oz. Garrison Gold project in Ontario managing exploration from early state through trial production mining.

Michael Kanevsky, CPA, Chief Financial Officer

Mr. Kanevsky is a Chartered Professional Accountant with expertise in corporate reporting, financial processes and risk management. Mr. Kanevsky began his professional career in the audit and assurance practice at Deloitte LLP. Mr. Kanevsky is the CFO of Mexican Gold Corp, Palisades Goldcorp Ltd. and several private mining companies.

John Anderson, Director

Mr. Anderson has over 25 years of capital market experience specializing in the resource sector. Mr. Anderson is a founder and financier of many start-up companies with experience on the Toronto Stock Exchange, NYSE, NASDAQ, London AIM and Swiss Stock Exchange. Mr. Anderson is the founder of Deep 6 PLC, American Eagle Oil and Gas Inc., as well as a founding general partner in Aquastone Capital LLC. Mr. Anderson is the Executive Chairman of Triumph Gold Corp. and serves as a director of Triumph Gold Corp., Outcrop Gold Corp., Mexican Gold Corp., FluidOil Limited., Parallel Mining Corp., and Intercontinental Gold and Metals Ltd.

Dr. Quinton Hennigh

Dr. Hennigh is an economic geologist with 25 years of exploration experience, mainly gold related. Early in his career, he explored for major mining firms including Homestake Mining Company, Newcrest Mining Ltd and Newmont Mining Corporation. Dr. Hennigh joined the junior mining sector in 2007 and has been involved with a number of Canadian listed gold companies including Gold Canyon Resources, where he led exploration at the Springpole alkaline gold project near Red Lake Ontario, a 5 million ounce gold asset that was subsequently sold. Dr. Hennigh is also the chairman and president of Novo Resources Corp., which owns 15,000,000 Common Shares of the Company, and of which the Company holds 6,944,444 common shares. Dr. Hennigh obtained a Ph.D. in Geology/Geochemistry from the Colorado School of Mines.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

See also "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

On March 9, 2020 the Company obtained directors' and officers' liability insurance policies for the period from March 9, 2020 to March 9, 2021, with coverage in the amount of up to $10,000,000 including an excess policy with limits reserved for insured directors and officers when the Company is unable to indemnify the same, at an annual premium of $18,000 the full amount of which was paid by the Company. There is no deductible in the case of directors and officers but a deductible of $25,000 for the Company. The policies contain standard industry exclusions and no claims have been made to date. The policies currently reflect the Company's risk profile as a private entity and will be revised accordingly following the Offering. Such revisions will involve a review of limits to ensure adequacy for the Company's risk profile as a public entity, and may involve increases in premium and retention amounts, with such increases yet to be determined as at the date of this Prospectus.

DIRECTOR AND EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in Qualifying Jurisdictions, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. "Named Executive Officer" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**"):

- Craig Roberts, Chief Executive Officer and Director of the Company;
- Michael Kanevsky, Chief Financial Officer; and
- Denis Laviolette, President.

Compensation Governance

Philosophy

In determining the compensation to be paid or awarded to its executives, the compensation committee of the Company (the "**Compensation Committee**") seeks to encourage the advancement of the Company's exploration projects, with a view to enhancing shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its shareholders. In addition, as NFG, currently, has no revenues from operation and operates with limited financial resources, the Compensation Committee needs to consider not only the Company's financial situation at the time of determining executive compensation but also the Company's estimated financial situation in the mid and long term.

The Company's executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Stock Option Plan. In making its determinations regarding the various elements of executive Option grants, the Company will seek to meet the following objectives:

(a) to attract, retain and motivate talented executives who create and sustain NFG's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;

(b) to align the interests of the NEOs with the interests of the Company's shareholders; and

(c) to incent extraordinary performance from our key personnel.

The Company is an early stage exploration company and may not generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of its executive officers.

Base Salary

The base salary for each executive is established by the Board, on the recommendation of the Compensation Committee, based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and the NEO's skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

Cash Bonuses

Cash bonuses do not form a normal part of NFG's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the Compensation Committee may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the shareholder value creation embodied in the pre-agreed milestones.

Options

Options are a key compensation element for NFG. Because many of the most capable individuals in the mining industry work for companies who can offer attractive cash and bonus compensation and a high level of employment security, Options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a junior exploration company such as NFG. Options are also an important component of aligning the objectives of NFG's executive officers and consultants with those of its shareholders, while encouraging them to remain associated with the Company. NFG expects to provide significant Option positions to its executive officers and consultants. The precise amount of Options to be offered will be governed by the importance of the role within the Company, by the competitive environment within which NFG operates, and by the regulatory limits on Option grants that cover organizations such as NFG. When considering an award of Options to an executive officer, consideration of the number of Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

See "*Options to Purchase Securities - Stock Option Plan*" for a summary of the key terms of the Stock Option Plan.

Compensation Risks

In making its compensation-related decisions, the Compensation Committee and Board carefully consider the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

(a) that the Company will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executive employees that it seeks; and

(b) that the Company will have insufficient funding to achieve its objectives.

Executive Compensation-Related Fees

For the financial year ended December 31, 2019, no fees were billed to the Company by any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers or for any other services.

Hedging Named Executive Officers or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

Compensation, excluding Options and Compensation Securities

The following table sets out the compensation, excluding options and compensation securities, paid to the individuals who were directors or NEOs during the year ended December 31, 2019 and during 2020, to date. The table sets out the total compensation paid during the year ended December 31, 2019 and the total compensation expected to be paid during the year ended December 31, 2020. The anticipated compensation for 2020 set out herein is based on current conditions in the mining industry and on the associated approximate allocation of time for each NEO, and is as such subject to adjustments based on changing market conditions and corresponding changes to required time commitments.

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**		**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Collin Kettell, Executive Chairman and Director	2020	269,070[(1)]	Nil	Nil.	Nil.	Nil.	Nil.	269,070
	2019	109,967[(2)]	152,433	Nil.	Nil.	Nil.	Nil.	262,399
Craig Roberts, Chief Executive Officer and Director	2020	200,000[(3)]	250,000	Nil.	Nil.	Nil.	Nil.	450,000
	2019	Nil	Nil	Nil.	Nil.	Nil.	Nil.	Nil
Denis Laviolette, President and Director	2020	195,000[(4)]	Nil	Nil.	Nil.	Nil.	Nil.	195,000
	2019	65,000[(5)]	225,000	Nil.	Nil.	Nil.	Nil.	290,000
Michael Kanevsky, Chief	2020	138,000[(6)]	Nil	Nil.	Nil.	Nil.	Nil.	138,000

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**		**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Financial Officer	2019	94,500[7]	Nil	Nil.	Nil.	Nil.	Nil.	94,500
John Anderson, Director	2020	Nil	Nil	Nil.	Nil.	Nil.	Nil.	Nil
	2019	Nil	Nil	Nil.	Nil.	Nil.	Nil.	Nil
Dr. Quinton Hennigh	2020	Nil	Nil	Nil.	Nil.	Nil.	Nil.	Nil
	2019	Nil	Nil	Nil.	Nil.	Nil.	Nil.	Nil

(1) In 2020, Mr. Kettell expects to receive $269,070 in compensation for his position as Executive Chairman and Nil as compensation for acting as a director of the Company
(2) In 2019, Mr. Kettell received $262,399 in compensation for his position as Executive Chairman and **Nil** as compensation for acting as a director of the Company
(3) In 2020, Mr. Roberts expects to receive $450,000 in compensation for his position as Chief Executive Officer and Nil as compensation for acting as a director of the Company
(4) In 2020, Mr. Laviolette expects to receive $195,000 in compensation for his position as President and Nil as compensation for acting as a director of the Company
(5) In 2019, Mr. Laviolette received $290,000 in compensation for his President as Executive Chairman and Nil as compensation for acting as a director of the Company
(6) In 2020, Mr. Kanevsky expects to receive $138,000 in compensation for his position as Chief Financial Officer.
(7) In 2019, Mr. Kanevsky received $94,000 in compensation for his position as Chief Financial Officer.

Stock Options and Other Compensation Securities

The following table sets forth information with respect to the Options granted under the Stock Option Plan to NEOs and directors during the year ended December 31, 2019.

Compensation Securities							
Name and Principal Position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercice price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security as at date of this Prospectus ($)**	**Expiry date**
Collin Kettell, Executive Chairman and Director[1]	Options	1,250,000 1.58%	December 17, 2019	$0.50	N/A	N/A	December 17, 2024
Craig Roberts, Chief Executive	Options	800,000 1.01%	December 17, 2019	$0.50	N/A	N/A	December 17, 2024

Compensation Securities							
Name and Principal Position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercice price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security as at date of this Prospectus ($)**	**Expiry date**
Officer and Director[(2)]							
Denis Laviolette, President and Director[(3)]	Options	1,550,000 1.19%	December 17, 2019	$0.50	N/A	N/A	December 17, 2024
Michael Kanevsky, Chief Financial Officer[(4)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Anderson, Director[(5)]	Options	450,000 0.57%	December 17, 2019	$0.50	N/A	N/A	December 17, 2024
Dr. Quinton Hennigh[(6)]	Options	300,000	December 17, 2019	$0.50	N/A	N/A	December 17, 2024

(1) Represents the total amount of compensation securities held by Mr. Kettell as of December 31, 2019
(2) Represents the total amount of compensation securities held by Mr. Roberts as of December 31, 2019
(3) Represents the total amount of compensation securities held by Mr. Laviolette as of December 31, 2019
(4) Represents the total amount of the compensation securities held by Mr. Kanevsky as of December 31, 2019
(5) Represents the total amount of the compensation securities held by Mr. Anderson as of December 31, 2019
(6) Represents the total amount of the compensation securities held by Dr. Hennigh as of December 31, 2019

Exercise of Options and Compensation Securities by Directors and NEOs

The following table sets forth information with respect to the exercise of Options granted under the Stock Option Plan by NEOs and directors of the Company during the year ended December 31, 2019.

Exercise of Compensation Securities by Directors and NEOs								
Name and Principal Position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Issue, conversion or exercice price ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Collin Kettell, Executive Chairman and Director	Options	1,000,000	$0.15	$0.15	December 12, 2019	N/A	N/A	500,000
Craig Roberts, Chief Executive Officer and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Denis Laviolette, President and Director	Options	1,500,000	$0.15	$0.15	December 12, 2019	N/A	N/A	$750,000
Michael Kanevsky, Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Anderson, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

External Management Companies

Other than as disclosed below under "Employment, Consulting and Management Agreements", the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or Directors and, other than as disclosed below, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Employment, Consulting and Management Agreements

As of the date hereof, other than as described below, the Company does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a director or Named Executive Officer's responsibilities.

For the purposes of this section "**Change of Control**" means change in control of the Company, which includes the acquisition by a person of 50% or more of the voting securities of the Company, the removal of 50% or more of the incumbent members of the Board, or a transaction the result of which is that the current voting shareholders of the Company own less than 50% of the voting shares of the resulting or successor corporation, or the sale of all or substantially all of the Company's assets.

Argentum Management Services Agreement

Collin Kettell, Executive Chairman and Director of the Company provides his management services to the Company through Argentum Capital Corp. ("**Argentum**"). The Company and Argentum entered into a management services agreement dated March 1, 2020, with respect to the provision of certain management and administrative consulting services provided by Argentum to the Company (the "**Argentum Agreement**"). Pursuant to the terms and conditions of the Argentum Agreement, Argentum provides certain management consulting services to the Company and its subsidiaries as may be requested by and at the direction of the Board from time to time, including: (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day to day operation and business of the Company; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations, (iv) guidance and advice concerning any mineral properties owned by the Company or interests in mineral properties acquired by the Company and other mutually agreed services.

The Company pays Argentum a base fee rate of $25,000 per month (the "**Argentum Base Fee**"), subject to annual review by the Board. Argentum is also eligible for an incentive fee and the grant of Options pursuant to the Stock Option agreement as determined by the Board at its discretion.

Under the terms of the Argentum Agreement, at anytime within 60 days following a change in Change of Control, Argentum or the Company may elect to terminate the Argentum Agreement. Upon such termination, the Company is obliged to compensate Argentum (i) a termination fee equal to 24 months of the Argentum Base Fee, (ii) an amount equal to any incentive fee paid to Argentum within the 24 months proceeding termination in connection with a Change of Control and (iii) any accrued liabilities owing to Argentum under the Argentum Agreement. The estimated incremental payments to Argentum that would result from a Change of Control occurring as at March 31, 2020 would be $600,000.

Flotsam Management Services Agreement

Craig Roberts, Chief Executive Officer and Director of the Company, provides his management services to the Company through Flotsam Cove Holdings Ltd. ("**Flotsam**"). The Company and Flotsam entered into a management services agreement dated March 1, 2020, with respect to the provision of certain management and administrative consulting services provided by Flotsam to the Company (the "**Flotsam Agreement**"). Pursuant to the terms and conditions of the Flotsam Agreement, Flotsam provides certain management consulting services to the Company and its subsidiaries as may be requested by and at the direction of the Board from time to time, including: (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day to day operation and business of the Company; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations, (iv) guidance and advice concerning any mineral properties owned by the Company or interests in mineral properties acquired by the Company and other mutually agreed services.

The Company pays Flotsam a base fee rate of $25,000 per month (the "**Flotsam Base Fee**"), subject to annual review by the Board. Pursuant to the Flotsam Agreement, Flotsam received a bonus of $250,000 on March 30, 2020 and then paid $400,000 to exercise 800,000 Options at an exercise price of $0.50 to purchase 800,000 Common Shares., On April 15, 2020, the Company then granted Mr. Roberts an additional 800,000 Options at an exercise price of $1.00 per share. Flotsam is also eligible for an incentive fee at the Board's discretion. Under the terms of the Flotsam Agreement, upon closing of the Novo Transaction, the Company granted Mr. Roberts 1,000,000 additional Options on April 15, 2020 pursuant to the Stock Option Plan. In addition, under the Flotsam Agreement, the Company agreed, as soon as at least 900,000 additional Options are available under the Stock Option Plan, to grant Mr. Roberts an additional 900,000 Options.

Under the terms of the Flotsam Agreement, at anytime within 60 days following a Change of Control of the Company, Flotsam or the Company may elect to terminate the Flotsam Agreement. Upon such termination, the Company is obliged to compensate Flotsam (i) a termination fee equal to 24 months of the Flotsam Base Fee, (ii) an amount equal to any incentive fee paid to Flotsam within the 24 months proceeding termination in connection with a Change of Control and (iii) any accrued liabilities owing to Flotsam under the Flotsam Agreement. The estimated incremental payments to Flotsam that would result from a Change of Control occurring as at March 31, 2020 would be $600,000.

Bruno Management Services Agreement

Denis Laviolette, President and Director of the Company provides his management services to the Company through Bruno Management Services Corporation ("**Bruno**"). The Company and Bruno entered into a management services agreement dated March 1, 2020, with respect to the provision of certain management and administrative consulting services provided by Bruno to the Company (the "**Bruno Agreement**"). Pursuant to the terms and conditions of the Bruno Agreement, Bruno provides certain management consulting services to the Company and its subsidiaries as may be requested by and at the direction of the Board from time to time, including: (i) guidance, advice and services with respect to strategic planning, future growth, projects and business activities; (ii) guidance and advice in relation to the day to day operation and business of the Company; (iii) guidance and advice concerning proposed acquisitions, divestitures, joint ventures and business combinations, (iv) guidance and advice concerning any mineral properties owned by the Company or interests in mineral properties acquired by the Company, (v) guidance and advice in connection with the communications with the shareholders of the Company and responding to shareholder inquiries and other mutually agreed services.

The Company pays Bruno a base fee rate of $17,500 per month (the "**Bruno Base Fee**"), subject to annual review by the Board. Bruno is also eligible for an incentive fee and the grant of Options as determined by the Board at its discretion.

Under the terms of the Bruno Agreement, at any time within 60 days following a Change of Control, Bruno or the Company may elect to terminate the Bruno Agreement. Upon such termination, the Company is obliged to compensate Bruno (i) a termination fee equal to 24 months of the Bruno Base Fee, (ii) an amount equal to any incentive fee paid to Bruno within the 24 months proceeding termination in connection with a Change of Control and (iii) any accrued liabilities owing to Bruno under the Bruno Agreement. The estimated incremental payments to Bruno that would result from a Change of Control occurring as at March 31, 2020 would be $420,000.

Pension Plan Benefits

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

Director Compensation

As of date hereof, no compensation has been paid to the Company's non-executive directors.

NFG contemplates that each independent director, will be entitled to participate in the Stock Option Plan and any other security-based compensation arrangement or plan adopted by NFG with the approval of the Board and/or NFG's shareholders, as may be required by applicable law or TSXV policies.

Directors' and Officers' Liability Insurance and Indemnification

The Articles provides that the Company may indemnify of each director and officer against all costs, charges and expenses reasonably incurred by him or her in respect of any action or proceeding to which he or she is made a party by reason of being a director or officer of the Company, subject to the limitations contained in the Articles.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs.

AUDIT COMMITTEE

The Company has formed an Audit Committee comprised of John Anderson (Chair), Dr. Quinton Hennigh and Craig Roberts, all of whom are "financially literate" as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Mr. Anderson and Dr. Hennigh are considered "independent" and Mr. Roberts, as Chief Executive officer of the Company, is not considered "independent", pursuant to NI 52-110.

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing and discussing with management the appointment of key financial executives and recommending qualified candidates to the Board; (v) reviewing with management and the Company's external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary.

The full text of the Audit Committee Charter is attached to this Prospectus as Schedule "E"

Relevant Education and Experience

Each proposed member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

John Anderson

Mr. Anderson has over 20 years of Capital market experience specializing in the resource sector and been involved in publicly traded companies and has served on the audit committee for public companies, including Triumph Gold Corp. Mr. Anderson is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Mr. Anderson has experience with various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Anderson has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an Audit Committee member.

Dr. Quinton Hennigh

Dr. Quinton Hennigh is an economic geologist with more than 25 years of exploration experience with major gold mining firms. Dr. Hennigh has various experience with budgeting, economic assessments, and financial reporting through roles at various publicly traded companies. Dr. Hennigh is familiar with managing junior mining companies, including financing and

compliance with reporting requirements. Based on his experience, Dr. Hennigh has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an Audit Committee member

Craig Roberts

Mr. Roberts is a mining engineer with over 35 years of operations, consulting and investment banking experiences and been involved in publicly traded companies and has served on the audit committee for public companies, including K2 Gold Corp. Mr. Roberts is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Based on his experience, Mr. Roberts has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an Audit Committee member.

Pre-Approval Policies and Procedures

The Audit Committee mandate requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

Reliance on Certain Exemptions

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees by Category

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

Financial Year Ending	Audit Fees	Audit Related Fees(1)		Tax Fees(2)	All Other Fees(3)
December 31, 2019	$40,000	$Nil.		$Nil	$Nil
December 31, 2018	$75,000	$Nil.		$Nil	$Nil

Notes:
(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

COMPENSATION COMMITTEE

The Company has formed a Compensation Committee comprised of John Anderson (Chair), Collin Kettell and Craig Roberts. John Anderson is considered "independent" and Collin Kettell, as Executive Chairman, and Craig Roberts, as Chief Executive Officer, are not considered "independent", pursuant to NI 52-110.

Each member of the Compensation Committee has business and other experience which is relevant to their position as a member of the Compensation Committee. By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the Compensation Committee are able to make decisions on the suitability of the Company's compensation policies and practices. See "*Directors and Executive Officers - Director and Executive Officer Biographies*" for a description of each Compensation Committee members experience and education.

The text of the Compensation Committee's charter is attached as Schedule "F" to this Prospectus. The charter of the Compensation Committee provides that it is responsible for, among other things, the following matters:

- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and other executive officers, evaluating the performance of the CEO and the other executive officers in light of those goals and objectives and approving their annual compensation levels, including salaries, bonuses, and stock option grants based on such evaluation; and

- reviewing the compensation of directors for service on the Board and its committees and recommending to the Board the annual Board member compensation package, including retainer, committee member and chair retainers, Board and committee meeting attendance fees and any other form of compensation, such as stock option grants or stock awards.

While the Board is ultimately responsible for determining all forms of compensation to be awarded to the CEO, other executive officers and directors, the Compensation Committee will when appropriate review the Company's compensation philosophy, policies, plans and guidelines and recommend any changes to the Board. See "*Executive Compensation*" for a discussion of, among other things, the process by which the Compensation Committee in collaboration with the Board determines the compensation of the Company's directors and officers.

STATEMENT ON CORPORATE GOVERNANCE

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

(a) adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;

(b) ensuring that the risk management of the Company is prudently addressed;

(c) reviewing the Company's approach to human resource management and overseeing succession planning for management;

(d) reviewing the Company's approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company's Code of Business Conduct and Ethics; and

(e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of NFG. The Board intends to meet at least annually and at each meeting there is a review of the business of NFG.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Board is composed of five directors, two of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with NFG, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, John Anderson and Dr. Quinton Hennigh are considered independent for the purposes of NI 58-101. Collin Kettell, as the Founder and Executive Chairman, Denis Laviolette, as Founder and President, and Craig Roberts, as Chief Executive Officer, are not considered independent for the purposes of NI 58-101.

Inter-locking Directorships

Some of the directors of the Company serve on the same boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The following table lists the directors of the Company who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

Name of Director	Reporting Issuers (or the Equivalent)
Craig Roberts	Ethos Gold Corp., Victory Metals Inc., K2 Gold Corporation., Global Battery Metals Ltd.
Denis Laviolette	Xtra-Gold Resources Corp.
Collin Kettell	Victory Metals Inc.
John Anderson	Triumph Gold Corp., Outcrop Gold Corp., Mexican Gold Mining Corp., FluidOil Limited., Parallel Mining Corp., Intercontinental Gold and Metals Ltd.
Dr. Quinton Hennigh	Novo Resources Corp., Irving Resources Inc. Miramont Resources Corp. NV Gold Corporation Precipitate Gold Corp. Tristar Gold, Inc.

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for conflicts of interest.

Orientation and Education

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. NFG provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

Ethical Business Conduct

NFG has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Company has formed a nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**") comprised of Craig Roberts (Chair), Collin Kettell and John Anderson. Mr. Anderson is considered "independent" and Craig Roberts, as Chief Executive Officer, and Collin Kettell, as Executive Chairman, are not considered "independent", pursuant to NI 52-110. In consultation with the Board, the Nominating and Corporate Governance Committee identifies and recommends to the Board potential nominees for election or re-election to the Board as well as individual directors to serve as members and chairs of each committee. The Nominating and Corporate Governance Committee establishes and reviews with the Board the appropriate skills and characteristics required of members of the Board, taking into consideration the Board's short-term needs and long-term succession plans. In addition, the Nominating and Corporate Governance Committee develops, and annually updates, a long-term plan for the Board's composition, taking into consideration the characteristics of independence, age, skills, experience and availability of service to the Company of its members, as well as opportunities, risks, and strategic direction of the Company.

Compensation

Compensation matters are currently determined by the Board upon the recommendation of the Compensation Committee. See "*Compensation Committee*".

Other Board Committees

The Board has no committees, other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

Director Assessment

The Nominating and Corporate Governance Committee is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant factors.

RISK FACTORS

Investing in the Shares is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the Shares should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates and projections contained in this Prospectus. Investors should carefully consider the risks described below and elsewhere in this Prospectus. The risks described below and elsewhere in this Prospectus do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company. Please see "Management's Discussion and Analysis" for a description of additional risks affecting the Company.

Risks Related to the Company

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give any assurance that any mineral resources will be identified. If the Company fails to identify any mineral resources on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on any of its properties, its financial condition and results of operations will be materially adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the Queensway Technical Report is based, in part, upon, historical data compiled by previous parties involved with the Queensway Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work

interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and development of the Company’s mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company’s business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold industry in particular), the Company’s status as a new enterprise with a limited history, the location of the Company’s mineral properties, the price of commodities and/or the loss of key management personnel.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters.

Although Canada has a favourable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by purchasers. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

License Transfer Irregularity

Although the Company has filed rectifying documentation in the MCR with respect to the License Transfer Irregularity, there is no guarantee that the License Transfer Irregularity will be rectified within the timeline expected by the Company, or at all. The failure to rectify the License Transfer Irregularity could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Uninsured and Underinsured Risks

The Company faces and will face various risks associated with mining exploration and the management and administration thereof including those associated with being a public company. Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

Public Health Crises such as the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of the Queensway Project and the Company's other mineral projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of the Queensway Project and other mineral projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's financial position and trading price of the Common Shares.

COVID-19 and efforts to contain it may have broad impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

In addition, the current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Company's suppliers, contractors and service providers.

Environmental Risks

The Company's activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed

and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Provinces of Newfoundland and Ontario.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a social responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Conflicts of Interest

Most of the Company's directors and officers and do not devote their full time to the affairs of the Company. All of the directors and officers of the Company are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the BCBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Gold and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of our revenue will be derived from the sale of gold. Therefore, the Company's future profitability will depend upon the world market prices of the gold for which it is exploring. The price of gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes.

Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on gold prices.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Reporting Issuer Status

On becoming a reporting issuer, the Company will be subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer will make it more expensive to obtain and maintain director and officer liability insurance, and the Company may in the future be required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this Prospectus, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Information Systems and Cyber Security

The Company's operations depend on information technology ("**IT**") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Risks Related to the Offering and the Company's Securities

No Established Market for Securities

It is proposed that the Common Shares will be listed on the TSXV; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Shares at an attractive price or at all. The Company cannot predict the prices at which the Shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

The Shares do not currently trade on any exchange or stock market and the Company has applied to list the Common Shares on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the Shares; and a substantial decline in the price of the Shares that persists for a significant period of time could cause the Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Shares may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Shares. The market price of the Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Shares is expected to make the price of the Shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Shares, dilute shareholders' voting power and reduce future potential earnings per Share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Share.

Dividends

To date, the Company has not paid any dividends on their outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. See "*Dividend Policy*".

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The Company encourages each security holder to consult with its own tax or professional advisor to understand the tax considerations generally applicable with purchasing or owning the Shares.

PROMOTERS

Collin Kettell, Founder and Executive Chairman may be considered to be a promoter of the Company in that he took the initiative in organizing the business of the Company. The following table sets out the number and percentage of each class of voting securities and equity securities of NFG beneficially owned, or controlled or directed, directly or indirectly by Mr. Kettell.

Designation of Class	Number of Securities	Percentage of Class
Nil. (1)(2)	Nil.	Nil.

Notes:

(1) Mr. Kettell owns 2,545,000 Options. See "*Directors and Officers*".

(2) Mr. Kettell is the Executive Chairman and principal securityholder of Palisades Goldcorp Ltd., which owns 45,149,500 Common Shares or 44.8% of the outstanding Common Shares on a non-diluted basis.

Additional information about Mr. Kettell is disclosed elsewhere in this Prospectus in connection with his capacity as a director and officer of the Company. See "*Directors and Executive Officers*" and "*Executive Compensation*" for further details.

Other than as disclosed in this Prospectus, Mr. Kettell has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from NFG or its subsidiaries, and neither NFG nor its subsidiaries have received any assets, services or other consideration from Mr. Kettell in return.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than described below, to the Company's knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since the beginning of the financial year ended December 31, 2019, and no such proceedings or actions are known by the Company to be contemplated.

On March 10, 2020, ThreeD Capital Inc ("**ThreeD**") and 1313366 Ontario Inc. ("**1313366**" and together with ThreeD, the "**Claimants**") filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, Palisades Goldcorp Ltd. and the Company (the "**ThreeD Claim**"). Pursuant to the ThreeD Claim, the Claimants are challenging the validity of the sale of 17,500,000 Common Shares by the Claimants to Palisades Goldcorp. Ltd. on November 20, 2019. The Company filed a statement of defence in response to the ThreeD Claim on June 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are DNTW Toronto LLP, located at 45 Sheppard Avenue East, Suite 703, Toronto, ON M2N 5W9.

The registrar and transfer agent for the Shares is Computershare Investor Services Inc**.** at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of its subsidiaries are a party entered into prior to or since the date of incorporation of the Company and which still remain in effect and material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

- Agency Agreement between NFG and the Agents, dated ●**,** 2020;
- Stock Option Plan.

See "*Plan of Distribution – The Offering*" for a summary of the key terms of the Agency Agreement. See also "*Options to Purchase Securities - Stock Option Plan*" for a summary of the key terms of the Stock Option Plan.

EXPERTS

Information of a scientific or technical nature in respect of the Queensway Project is included in this Prospectus based upon the Queensway Technical Report, with an effective date of June 20, 2020, prepared by Dawn Evans-Lamswood, M.Sc. P.Geo. of DEL Exploration. who is an independent Qualified Person under NI 43-101.

To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individual and his firm do not beneficially own, directly or indirectly, any Common Shares.

DNTW Toronto LLP, the auditor of the annual financial statements of NFG included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Certain legal matters in respect of this Prospectus have been passed upon on behalf of NFG by Blake, Cassels & Graydon LLP and on behalf of the Agents by Stikeman Elliott LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

SCHEDULE A – AUDITED FINANCIAL STATEMENTS

Audited Consolidated financial statements for the year ended December 31, 2019 and the year ended December 31, 2018

(See attached)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND DECEMBER 31, 2018

(Expressed in Canadian Dollars)

DNTW Toronto LLP
Chartered Professional Accountants
Licensed Public Accountants

45 Sheppard Avenue East, Suite 703
Toronto, ON M2N 5W9
main 416 924-4900
fax 416 924-9377
www.dntwtoronto.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
New Found Gold Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Found Gold Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of loss and comprehensive loss, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

DNTW Toronto LLP
Chartered Professional Accountants
Licensed Public Accountants

45 Sheppard Avenue East, Suite 703
Toronto, ON M2N 5W9
main 416 924-4900
fax 416 924-9377
www.dntwtoronto.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Steven Olsthoorn.

DNTW Toronto LLP

February 28, 2020
Toronto, Ontario

Chartered Professional Accountants
Licensed Public Accountants

New Found Gold Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2019 $	December 31, 2018 $
ASSETS			
Current assets			
Cash		7,336,638	323,179
Investments, at fair value	4	114,937	398,102
Amounts receivable		46,085	164,850
Prepaid expenses and deposits		436,436	68,630
Sales taxes recoverable		291,075	109,414
Total current assets		8,225,171	1,064,175
Non-current assets			
Exploration and evaluation assets	3	1,100,716	677,681
Property, plant and equipment		29,149	41,641
Total non-current assets		1,129,865	719,322
Total Assets		9,355,036	1,783,497
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	392,849	828,306
Total current liabilities		392,849	828,306
EQUITY			
Share capital	5	10,735,862	2,845,700
Reserves	5	4,667,467	530,601
Deficit		(6,441,142)	(2,421,110)
Total equity		8,962,187	955,191
Total Equity and Liabilities		9,355,036	1,783,497

NATURE OF OPERATIONS (Note 1)
COMMITMENT (Note 11)
SUBSEQUENT EVENTS (Note 14)

These financial statements are authorized for issue by the Board of Directors on February 28, 2020. They are signed on the Company's behalf by:

"Collin Kettell" , Director

"John Anderson" , Director

New Found Gold Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2019 $	2018 $
Expenses			
Exploration and evaluation expenditures	3,6	657,539	1,742,415
Depreciation		12,492	4,308
Filing fees		390	858
Office and sundry		31,859	52,535
Professional fees		74,648	107,644
Salaries and consulting	6	987,399	602,606
Share-based compensation	5,6	2,130,528	122,361
Travel		30,554	27,328
Loss from operating activities		(3,925,409)	(2,660,055)
Foreign exchange loss		(909)	(10,813)
Gain on sale of exploration and evaluation assets	3(iii)	-	2,300,840
Impairment of exploration and evaluation assets	3(i)	(91,335)	(71,755)
Interest and other income		-	16,451
Net realized losses on disposal of investments	4	(120,734)	(216,570)
Net change in unrealized gains (losses) on investments	4	118,355	(699,231)
Net loss for the year		(4,020,032)	(1,341,133)
Exchange differences on translation of foreign operations		-	6,205
Total loss and comprehensive loss for the year		(4,020,032)	(1,334,928)
Loss per share – basic and diluted ($)	7	(0.07)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		60,041,181	56,336,997

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

New Found Gold Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2019 $	2018 $
Cash flows from operating activities		
Loss for the year	(4,020,032)	(1,341,133)
Adjustments for:		
Depreciation	12,492	4,308
Gain on sale of exploration and evaluation assets	-	(2,300,840)
Impairment of exploration and evaluation assets	91,335	71,755
Net realized losses on disposal of investments	120,734	216,570
Net change in unrealized gains (losses) on investments	(118,355)	699,231
Share-based compensation	2,130,528	122,361
	(1,783,298)	(2,527,748)
Change in non-cash working capital items:		
Decrease (increase) in amounts receivable	118,765	(94,719)
(Increase) decrease in prepaid expenses and deposits	(367,806)	71,520
(Increase) decrease in sales taxes recoverable	(181,661)	90,606
(Decrease) increase in accounts payable and accrued liabilities	(435,457)	558,935
Net cash used in operating activities	(2,649,457)	(1,901,406)
Cash flows from investing activities		
Purchase of exploration and evaluation assets	(307,370)	(262,655)
Proceeds on disposal of investments	280,786	551,532
Proceeds on sale of exploration and evaluation assets	-	975,000
Purchase of property, plant and equipment	-	(45,949)
Net cash (used in) generated from investing activities	(26,584)	1,217,928
Cash flows from financing activities		
Issuance of common shares in private placements	9,250,000	-
Stock options exercised	439,500	-
Amounts paid on behalf of Radio Fuels Corp.	-	(258,460)
Reimbursements of amounts owed from Radio Fuels Corp.	-	258,460
Amounts paid on behalf of Casino Gold Corp.	-	(331,039)
Reimbursements of amounts owed from Casino Gold Corp.	-	331,039
Net cash generated from financing activities	9,689,500	-
Net increase (decrease) in cash	7,013,459	(683,478)
Exchange rate changes on foreign currency cash balances	-	(4,459)
Cash at beginning of year	323,179	1,011,116
Cash at end of year	7,336,638	323,179

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 8)

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

New Found Gold Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	Amount $	Equity settled share-based payments $	Warrants $	Foreign currency translation $	Deficit $	Total equity $
Balance at December 31, 2017	56,309,250	2,828,700	408,240	-	(6,205)	(573,168)	2,657,567
Issued pursuant to acquisition of exploration and evaluation assets	42,500	17,000	-	-	-	-	17,000
Stock dividend paid	-	-	-	-	-	(506,809)	(506,809)
Share-based compensation	-	-	122,361	-	-	-	122,361
Total comprehensive loss for the year	-	-	-	-	6,205	(1,341,133)	(1,334,928)
Balance at December 31, 2018	56,351,750	2,845,700	530,601	-	-	(2,421,110)	955,191
Issued pursuant to acquisition of exploration and evaluation assets	517,499	207,000	-	-	-	-	207,000
Share-based compensation	-	-	2,130,528	-	-	-	2,130,528
Shares issued in private placement	19,125,000	6,997,542	-	2,252,458	-	-	9,250,000
Stock options exercised	2,930,000	685,620	(246,120)	-	-	-	439,500
Total comprehensive loss for the year	-	-	-	-	-	(4,020,032)	(4,020,032)
Balance at December 31, 2019	78,924,249	10,735,862	2,415,009	2,252,458	-	(6,441,142)	8,962,187

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

1. NATURE OF OPERATIONS

New Found Gold Corp. (the "Company") was incorporated on January 6, 2016, under the Business Corporations Act in the Province of Ontario. The address of the Company's registered office is Suite 1010 – 69 Yonge Street, Toronto, ON, Canada M5E 1K3.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements were approved by the Board of Directors of the Company on February 28, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the year ended December 31, 2019.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as subsequently measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These financial statements include the accounts of the Company and its previously wholly-owned subsidiary for the period up to June 6, 2018. For the period from June 7, 2018 onwards, these financial statements present the financial position and performance of New Found Gold Corp as an individual entity.

	Place of Incorporation	Principal Activity
Brownstone Ventures (US) Inc. ("Brownstone")	Delaware, USA	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Exploration, evaluation and development expenditures

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring rights or licenses, including those purchased from other parties or staked directly by the Company, until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs and costs of surveying, exploratory drilling, sampling, materials, fuel, equipment rentals or payments to contractors are expensed as incurred.

Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

The Company does not have revenue from mining operations. The Company recognizes gains or losses on the sale of exploration and evaluation assets in accordance with the terms of the purchase and sale agreements. Gains or losses are recognized when a mining option is executed and the cost is derecognized in accordance with the percentage interest sold.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units ("CGU") to which the exploration activity relates. Each of the Company's properties is considered to be a separate CGU. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the periods presented.

h) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over the estimated useful lives. Depreciation of an asset begins once it is available for use.

Long-lived assets are comprised of property, plant and equipment. At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including an expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is assessed at the CGU level, which is identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

i) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Valuation of equity units issued in private placements

The Company follows the residual method with respect to the measurement and allocation of proceeds from shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing quoted bid price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black- Scholes pricing model. In event of a modification in warrants issued as private placement units, no re-measurement adjustment is recognized within equity.

k) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized cost
Investments	FVTPL
Amounts receivable	Amortized cost
Deposits	Amortized cost
Accounts payables and accrued liabilities	Amortized cost

l) Investments

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the fair value of investments are reflected in the statement of loss and comprehensive loss. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed so as to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statement of loss and comprehensive loss as incurred. Interest income and other income are recorded on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of investments is determined as follows:

(a) Securities that are traded in an active market and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the date of statement of financial position. If there were no trades on the date of the statement of financial position, these securities are presented at the closing price on the last date the security traded. These investments are included in Level 1 of the fair value hierarchy.

(b) Securities that are traded in an active market, but which are escrowed or otherwise restricted as to their sale or transfer, are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. These investments are included in Level 2 of the fair value hierarchy.

m) Earnings and loss per share

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

n) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates may be pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

Valuation of Options Granted and Warrants Issued

The fair value of common share purchase options granted and warrants issued is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of stock-based compensation expense, share capital, and reserves.

Computation of Income Taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used.

The Company is subject to assessments by taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Shares Issued to Acquire Exploration and Evaluation Assets

From time to time, the Company issues common shares in the course of acquiring exploration and evaluation assets. When shares are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the shares issued. These estimates impact the value of share capital and exploration and evaluation assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Critical accounting judgments

Impairment of Exploration and Evaluation Assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Management has determined that there were indicators of impairment as at December 31, 2019 and has impaired $91,335 (December 31, 2018 - $71,755) in exploration and evaluation assets. Refer to Note 3 for further information.

p) Changes in Accounting Standards and Interpretations

The Company has adopted the following accounting standards effective January 1, 2018:

The Company adopted, retrospectively without restatement, all of the requirements of IFRS 9: Financial Instruments ("IFRS 9") as of January 1, 2018. This standard replaces the guidance in IAS 39: Financial Instruments: Recognition and Measurements ("IAS 39"). The adoption of IFRS 9 did not impact the carrying value of any of the Company's financial assets or financial liabilities on the transition date.

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

The adoption of the following accounting standards, effective January 1, 2018, had no impact on the financial statements. These standards are:

IFRS 15 – Revenue from Contracts with Customers
Interpretations 22 – Foreign Currency Transactions and Advance Considerations

The adoption of the following accounting standards, effective January 1, 2019, had no impact on the financial statements. These standards are:

IFRS 16 - Leases

3. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at December 31, 2019 and 2018:

	Newfoundland			
	Queensway[i]	Other	Ontario [ii]	Total
Year ended December 31, 2019	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2018	276,330	107,835	293,516	677,681
Additions	382,370	-	132,000	514,370
Impairment	-	(91,335)	-	(91,335)
Balance as at December 31, 2019	658,700	16,500	425,516	1,100,716
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2018	1,890,601	-	831,337	2,721,938
Assays	37,456	-	1,937	39,393
Drilling	250,260	-	-	250,260
Geophysics	153,934	-	-	153,934
Salaries & consulting	92,831	-	-	92,831
Supplies & equipment	62,412	-	-	62,412
Property taxes, mining leases and rent	45,500	-	3,859	49,359
Travel	9,350	-	-	9,350
	651,743	-	5,796	657,539
Cumulative exploration expense – December 31, 2019	2,542,344	-	837,133	3,379,477

	Newfoundland				
	Queensway[i]	Other	Ontario [ii]	Other[iii]	Total
Year ended December 31, 2018	$	$	$	$	$
Exploration and evaluation assets					
Balance as at December 31, 2017	220,585	79,590	418,266	431,204	1,149,645
Additions	55,745	100,000	32,850	97,923	286,518
Disposals	-	-	(157,600)	(529,127)	(686,727)
Impairment	-	(71,755)	-	-	(71,755)
Balance as at December 31, 2018	276,330	107,835	293,516	-	677,681
Exploration and evaluation expenditures					
Cumulative exploration expense - December 31, 2017	907,752	-	122,374	299,298	1,329,424
Assays	78,387	-	78,387	-	156,774
Geophysics	300,000	-	338,156	-	638,156
Salaries & consulting	423,922	-	43,325	50,603	600,090
Supplies & equipment	43,327	-	125,565	-	86,652
Property taxes, mining leases and rent	22,775	-	9,092	-	31,867
Travel	114,438	-	114,438	-	228,876
	982,849	-	708,963	50,603	1,742,415
Properties no longer explored	-	-	-	(349,901)	(349,901)
Cumulative exploration expense – December 31, 2018	1,890,601	-	831,337	-	2,721,938

3. EXPLORATION AND EVALUATION ASSETS (continued)

(i) Queensway Project – Gander, Newfoundland

As at December 31, 2019, the Company owns a 100% interest in 64 mineral licenses including 3,547 claims comprising 88,675 hectares of land located in Gander, Newfoundland. The project rights were acquired by map staking mineral licenses and making staged payments in cash and common shares of the Company from 2016 through 2019 under nine separate, fully executed option agreements. The optioned lands carry various net smelter return ("NSR") royalties ranging from 0.6% to 2.0% which can be reduced to 0.5% to 1.0%, at the Company's option, with payments ranging from $250,000 to $1,000,000 to the optionors. The total cost of the NSR's that may be purchased at the Company's discretion is $5,250,000.

During the year ended December 31, 2019, the Company recorded an impairment of $91,335 (2018 - $71,755) in acquisition costs related to projects no longer being explored.

(ii) Ontario Projects

As at December 31, 2019, the Company owns a 100% interest in the Lucky Strike project in Kirkland Lake, Ontario comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The project rights were acquired by map staking mineral licenses and making staged payments in cash and common shares of the Company from 2016 through 2019 under a fully executed option agreement. The optioned lands carry an NSR of 1%

Disposal of Ontario Properties

During the year ended December 31, 2018, the Company recognized gains on disposals of certain northeastern Ontario exploration and evaluation assets of $2,300,840. The Company received total proceeds of $2,458,400, which was comprised of cash of $1,030,000 and investments having a fair value of $1,428,440, and derecognized exploration and evaluation assets at their carrying value of $157,600.

(iii) Other Projects

There were no disposals of exploration and evaluation assets during the year ended December 31, 2019.

Disposal of Nevada Properties

On June 6, 2018, pursuant to the terms of a rollover agreement, the Company disposed of its wholly-owned subsidiary, Brownstone, to Casino Gold Corp. ("Casino Gold"), a newly-formed Ontario mineral exploration corporation, which has similar officers and directors as the Company. At the time of the disposal, the sole asset of Brownstone was its ownership of the Company's Nevada, USA resource properties. The disposal of Brownstone occurred in exchange for the issuance of 56,351,700 common shares of Casino Gold.

Concurrently upon receipt of the shares of Casino Gold, on June 6, 2018, the Company declared and paid a dividend in-kind to its shareholders on the basis of one share of Casino Gold for each share of New Found Gold.

The transaction has been accounted for through the deconsolidation of Brownstone on June 6, 2018, and the derecognition of its assets and liabilities, and the recognition of a dividend. The dividend was recognized at the carrying value of the disposed net assets as follows:

Exploration and evaluation assets	$	466,681
Accounts payable and accrued liabilities		(22,318)
Net assets of Brownstone	$	444,363

3. EXPLORATION AND EVALUATION ASSETS (continued)

Disposal of Saskatchewan Properties

On June 6, 2018, pursuant to the terms of a rollover agreement, the Company disposed of its Saskatchewan uranium property to Radio Fuels Corp. ("Radio Fuels"), a newly-formed Ontario mineral exploration corporation, which has similar officers and directors as the Company. The disposal of the Saskatchewan property occurred in exchange for the issuance of 56,351,700 common shares of Radio Fuels.

Concurrently upon receipt of the shares of Radio Fuels, on June 6, 2018, the Company declared and paid a dividend in-kind to its shareholders on the basis of one share of Radio Fuels for each share of New Found Gold.

The transaction has been accounted for through the derecognition of the exploration and evaluation assets and the recognition of a dividend at the carrying value of the assets of $62,446.

4. INVESTMENTS

The Company classifies its investments as subsequently measured at FVTPL. Realized gains and losses on disposal of investments and unrealized gains and losses in the fair value of investments are reflected in the statement of loss and comprehensive loss in the period in which they occur.

The fair value and cost of investments as at December 31, 2019 and 2018 are as follows:

	Fair Value $	Cost $
December 31, 2019	114,937	586,920
December 31, 2018	398,102	988,440

An analysis of investments including related gains and losses during the year is as follows:

	Year ended December 31,	
	2019 $	2018 $
Investments, beginning of year	398,102	436,995
Purchase of investments through the sale of exploration and evaluation assets	-	1,428,440
Disposition of investments	(280,785)	(551,532)
Realized (loss) gain on investments	(120,734)	(216,570)
Unrealized (loss) gain on investments	118,355	(699,231)
Investments, end of period	114,937	398,102

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At December 31, 2019, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Common Shares Issued in 2019

During the year ended December 31, 2019, the Company issued 517,499 common shares at $0.40 per share totaling $207,000, pursuant to the acquisition of exploration and evaluation assets in accordance with the terms of certain property option agreements.

During the year ended December 31, 2019, 2,930,000 stock options were exercised at $0.15 per share for gross proceeds of $439,500.

On June 18, 2019, the Company completed a non-brokered private placement financing of 1,875,000 common shares at $0.40 per share for gross proceeds of $750,000.

On July 3, 2019, the Company completed a non-brokered private placement financing of 1,250,000 common shares at $0.40 per share for gross proceeds of $500,000.

On November 29, 2019, the Company completed a non-brokered private placement financing of 16,000,000 units at $0.50 per unit for gross proceeds of $8,000,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.75 per share for three years from the issuance date.

Details of Common Shares Issued in 2018

During the year ended December 31, 2018, the Company issued 42,500 common shares at $0.40 per share totaling $17,000, pursuant to the acquisition of exploration and evaluation assets in accordance with the terms of certain property option agreements.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares not exceeding 10% in the aggregate and 5% with respect to any one optionee of the Company's outstanding common shares at the time of grant. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately. The exercise price and vesting terms of each share purchase option is set by the Board of Directors at the time of grant. Share purchase options granted are subject to a four-month hold period and exercisable for a period determined by the Board of Directors which cannot exceed five years.

5. SHARE CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the year ended December 31, 2019 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2018	Granted	Exercised	Cancelled/ Expired	Outstanding December 31, 2019	Exercisable December 31, 2019
February 20, 2022	$0.15	4,860,000	-	(2,930,000)	-	1,930,000	1,930,000
September 30, 2023	$0.40	350,000	-	-	-	350,000	350,000
December 17, 2024	$0.50	-	5,605,000	-	-	5,605,000	5,605,000
		5,210,000	5,605,000	(2,930,000)	-	7,885,000	7,885,000
Weighted average exercise price $		0.17	0.50	0.15	-	0.41	0.41
Weighted average contractual remaining life (years)		3.18	5.0	-	-	4.22	4.22

The continuity of share purchase options for the year ended December 31, 2018 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2017	Granted	Exercised	Cancelled/ Expired	Outstanding December 31, 2018	Exercisable December 31, 2018
February 20, 2022	$0.15	4,860,000		-	-	4,860,000	4,860,000
September 30, 2023	$0.40	-	350,000	-	-	350,000	350,000
		4,860,000	350,000	-	-	5,210,000	5,210,000
Weighted average exercise price $		0.15	0.40	-	-	0.17	0.17
Weighted average contractual remaining life (years)		4.14	5.0	-	-	3.18	3.18

The weighted average fair value of share purchase options granted during the year ended December 31, 2019 is $0.38 (2018 - $0.35). The weighted average fair value of share purchase options exercised during the year ended December 31, 2019 is $0.15 (2018 - $Nil).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31,	
	2019	2018
Risk-free interest rate	1.64%	2.42%
Expected option life in years	5.0	5.0
Expected share price volatility(i)	103%	134%
Grant date share price	$0.50	$0.40
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(i) The expected share price volatility is based on the average historical share price volatility of comparable companies over the life of the option.

5. SHARE CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the year ended December 31, 2019 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2018	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2019
November 29, 2022	$0.75	-	16,000,000	-	-	16,000,000
		-	16,000,000	-	-	16,000,000
Weighted average exercise price $		-	0.75	-	-	0.75
Weighted average contractual remaining life (years)		-	3.0	-	-	2.92

The Company did not have any warrants outstanding as at December 31, 2018.

The weighted average fair value of warrants issued during the year ended December 31, 2019 is $0.14 (2018 - $Nil).

Warrants were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of warrants issued:

	Year ended December 31,	
	2019	2018
Risk-free interest rate	1.56%	-
Expected warrant life in years	3.0	-
Expected share price volatility(i)	75.03%	-
Grant date share price	$0.50	-
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(i) The expected share price volatility is based on the average historical share price volatility of comparable companies over the life of the option.

6. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Year ended December 31,	
	2019	2018
	$	$
Amounts paid to Goldspot Discoveries Inc. (i) for exploration and evaluation	163,500	305,000
Amounts paid on behalf of Radio Fuels Corp. (ii)	-	(258,460)
Reimbursements of amounts owed from Radio Fuels Corp.	-	258,460
Amounts paid on behalf of Casino Gold Corp. (iii)	-	(331,039)
Reimbursements of amounts owed from Casino Gold Corp.	-	331,039
Issuance of common shares to Goldspot Discoveries Inc. in a private placement	750,000	-
Options exercised by members of key management	375,000	-

6. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(i) Goldspot Discoveries Inc. is a related entity having common officers and directors to the Company.
(ii) Radio Fuels Corp. is a related entity having common officers and directors to the Company.
(iii) Casino Gold Corp. is a related entity having common officers and directors to the Company.

Key management personnel compensation

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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2019, key management personnel compensation totaled $2,392,822 (2018 - $297,401) comprised of salaries and consulting of $786,899 (2018 - $210,000) paid to the Chief Financial Officer, the Chief Operating Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman and share-based compensation of $1,605,923 (2018 - $87,401) relating to 4,225,000 (2018 – 250,000) stock options granted to directors and officers of the Company.

As at December 31, 2019, $21,667 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer (2018 - $349,450 owed to Goldspot Discoveries Inc.).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2019 and 2018 was performed using the following as the numerator and denominator:

	Year ended December 31,	
	2019	2018
Loss attributable to common shareholders ($)	4,020,032	1,341,133
Weighted average number of common shares outstanding	60,041,181	56,336,997

Diluted loss per share did not include the effect of 7,885,000 (2018 – 5,210,000) share purchase options and 16,000,000 (2018 – Nil) common share purchase warrants as they are anti-dilutive.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Year ended December 31,	
	2019	2018
	$	$
Non-cash investing and financing activities:		
Stock dividend paid	-	506,809
Issuance of shares pursuant to the acquisition of exploration and evaluation assets	207,000	17,000
Investments acquired through the sale of exploration and evaluation assets	-	1,428,440
Warrants issued in private placement	2,252,458	-
Cash paid for income taxes	-	-
Cash paid for interest	-	-

9. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Canada.

10. INCOME TAXES

The recovery of income taxes shown in the statements of loss (income) and comprehensive loss (income) differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2019	2018
	$	$
(Loss) income before income taxes	(4,020,032)	(1,341,132)
Income tax (recovery) expense at statutory rate	(1,065,000)	(355,000)
Permanent and other differences	584,000	(115,000)
Change in unrecognized deductible temporary differences	481,000	470,000
Income tax recovery	-	-
Statutory tax rate	26.50%	26.50%

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2019 $	2018 $
Deferred income tax assets		
Investments	63,000	78,000
Exploration and evaluation assets	456,000	266,000
Non-capital tax loss carryforward	300,000	-
Net capital loss carryforward	8,000	-
Other	(1,000)	(4,000)
	826,000	340,000
Unrecognized deferred tax asset	(826,000)	(340,000)
	-	-

As at December 31, 2019, the Company has Canadian non-capital loss carry forwards of $1,125,052 that may be available for tax purposes. The Company's non-capital losses expire as follows:

Expiry Date	$
2036	89
2037	-
2038	2,326
2039	1,122,637
	1,125,052

11. COMMITMENTS

The following table summarizes the Company's long-term commitments:

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Option payments for exploration and evaluation assets	-	75,000	-	-	-

The Company is required to spend approximately $1,007,737 over the next 12 months to keep all claims owned and under option agreements in good standing.

12. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

Financial assets and liabilities measured at fair value are recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's only financial instrument measured at fair value are its investments, for which the fair value is determined using closing prices at the statement of financial position date with any unrealized gain or loss recognized in profit or loss.

The carrying values of other financial instruments, including cash, deposits and amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

		Level 1 $	Level 2 $	Level 3 $	Total $
Recurring measurements	Carrying amount	Fair value			
Investments, at fair value					
December 31, 2019	114,937	114,937	-	-	105,906
December 31, 2018	398,102	398,102	-	-	398,102

12. FINANCIAL INSTRUMENTS (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. Sales taxes recoverable are due from the Canada Revenue Agency and the Company places its cash with financial institutions with high credit ratings, therefore in management's judgment, credit risk is low.

There have been no changes in management's methods for managing credit risk since December 31, 2018.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. As at December 31, 2019, the Company has total liabilities of $392,849, and cash of $7,336,638 which is available to discharge these liabilities (2018 – total liabilities of $828,306 and cash of $323,149). Accordingly, in management's judgment, liquidity risk is low.

There have been no changes in management's methods for managing liquidity risk since December 31, 2018.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts denominated in US dollars and investments denominated in Australian Dollars. Fluctuations in the exchange rate between the US dollar and the Canadian dollar at December 31, 2019 would not have a material impact on the Company's net earnings and other comprehensive income. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the Australian Dollar at December 31, 2019 would change the company's net loss (income) by $11,494 as a result of a 10% change in the Canadian dollar exchange rate relative to the Australian dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

(iii) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

12. FINANCIAL INSTRUMENTS (continued)

(iv) Equity price risk

Equity price risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments in unfavorable market conditions which could result in dispositions of investments at less than favorable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability. The sensitivity of the Company's net income (loss) to changes in market prices at December 31, 2019 would change the Company's net income (loss) by $11,494 as a result of a 10% change in the market price of its investments.

There have been no changes in management's methods for managing market risks since December 31, 2018.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity consisting of common shares, stock options and warrants, and deficit that as at December 31, 2019 totalled $8,962,187 (2018 - $955,191). In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are sufficient to carry out our exploration plans and support operations through the current operating period.

The Company is not subject to any capital requirements imposed by a regulator.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019.

14. SUBSEQUENT EVENTS

Acquisition by Mexican Gold Corp.

On January 26, 2020, the Company entered into a binding letter agreement with Mexican Gold Corp. ("Mexican Gold") to have all of the issued and outstanding shares of the Company acquired by Mexican Gold. On February 19, 2020, the Company announced that the binding letter agreement was mutually terminated.

SCHEDULE B – MD&A

Management's discussion and analysis for the year ended December 31, 2019 and the year ended December 31, 2018

(See attached)

The following discussion is management's assessment and analysis of the results and financial condition of New Found Gold Corp. (the "**Company**" or "**NFG**") and should be read in conjunction with the accompanying audited financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") and all figures are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the headings "Risks and Uncertainties" and "Cautionary Notes Regarding Forward-Looking Statements" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those expressed or implied in forward-looking statements. The effective date of this report is February 28, 2020.

The scientific and technical information contained in this MD&A has been reviewed and approved by the Company's Chief Operating Officer, Greg Matheson, P.Geo., a Qualified Person as defined by National Instrument 43-101-Standards of Disclosure for Mineral Projects ("**NI 43-101**").

Description of Business

The Company was incorporated on January 6, 2016, under the *Business Corporations Act* (Ontario). The address of the Company's registered office is Suite 1010 – 69 Yonge Street, Toronto, ON, Canada M5E 1K3.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada. The Company's principal objective is to explore and develop the Queensway Project**,** which is located near Gander, Newfoundland and to identify other properties worthy of investment and exploration. For the purpose of NI 43-101, the Queensway Project is the Company's only material property.

The Queensway Project is comprised of 64 mineral licenses, including 3,547 claims comprising 88,675 hectares of land located near Gander, Newfoundland. The Queensway Project is accessible by main access roads including the Trans-Canada Highway ("**TCH**") that passes through the southern portion of the project and has high voltage electric transmission lines running through the project area. In addition, the Company owns a 100% interest in the Lucky Strike project in Kirkland Lake, Ontario comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The Lucky Strike Property is located 10km north of Larder Lake, Ontario and is comprised of 548 single cell un-patented mining claims. The Company is well financed to advance its planned exploration activities on the projects as intended.

As of the date of this MD&A, the Company's Board of Directors consisted of the following: Collin Kettell (Executive Chairman), Craig Roberts, Denis Laviolette, and John Anderson.

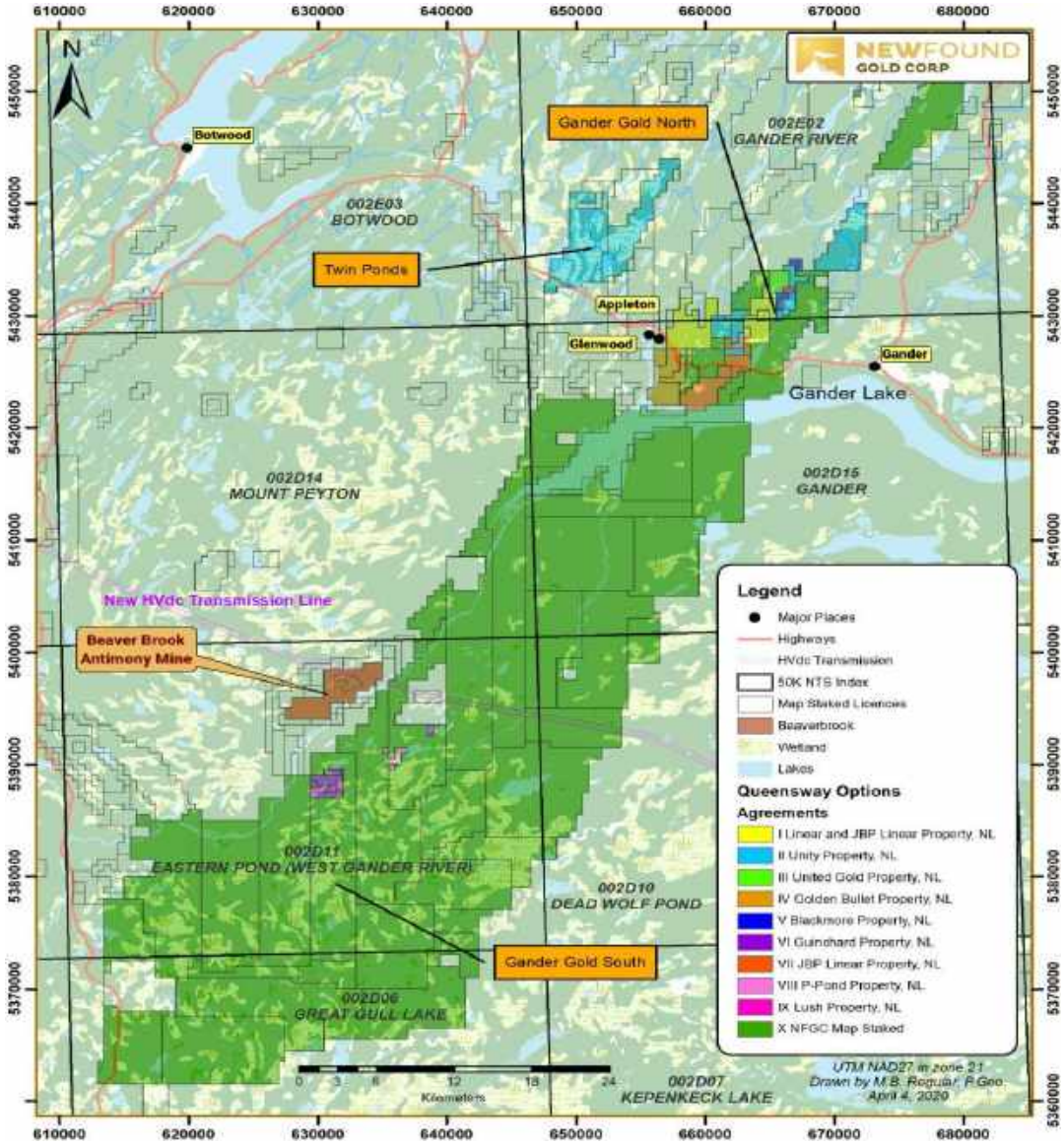
Project Summary

Queensway Project, Newfoundland

Ownership

The Queensway Project contains nine optioned claim packages along with mineral licenses map staked by NFG. The Company acquired the rights to the Queensway Project by map staking mineral licenses and making a series of staged payments in cash and common shares of the Company from 2016 through 2019 under nine separate option agreements. Eight of the option agreements have been fully exercised resulting in 100% ownership by NFG of the mineral licenses related to such option agreements and one option agreement remains active. Completion of the requirements under the one remaining option agreement would result in NFG obtaining 100% ownership of the Queensway Project.

In addition to the nine option agreements, NFG also conducted map staking resulting in 21 map staked mineral licenses which are held 100% by NFG. The optioned lands also carry various net smelter royalties and the option agreements are described in detail below and their location can be seen in the figure below.



Queensway Project – Royalties Agreements and Encumbrances

1. Linear and JBP Linear Property, NL - In July 2016, the Company acquired a 100% interest in the Linear and JBP Linear Property via an option agreement with Krinor Resources, Kevin Keats and Allan Keats. The Linear and JBP Linear property is comprised of six map staked licences covering 2,150 hectares and under the terms of the agreement the Company is to pay the optionor a total of $54,000 and issue 45,000 shares over a 36-month period; the agreement was fully executed in July 2019. A net smelter royalty grant of 0.6% is payable to the optionor along with an underlying net smelter royalty of 1.0% covering five of the six claims is payable to Paragon Minerals Corporation. This agreement contains a 2 km area of influence that subjects adjacent lands to the additional 0.6% net smelter royalty.

2. Unity Property, NL - In September 2016, the Company acquired a 100% interest in the Unity Property via an option agreement with Unity Resources Inc., Gary Lewis, Donna Lewis, Nigel Lewis, Leonard Lewis, and Aubrey Budgell. The unity property is comprised of ten map staked licences covering 8,150 hectares and under the terms of the agreement the Company is to pay the optionor a total of $90,000 over a 60-month period; the remaining option payment of $75,000 is due by September 2021. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000.

3. United Gold Property, NL - In October 2016, the Company acquired a 100% interest in the United Gold Property via an option agreement with Noreen Kennedy. The United Gold property is comprised of one map staked licence covering 275 hectares and under the terms of the agreement the Company is to pay the optionor a total of $16,500 and $16,500 worth of shares are to be issued over a 6-month period; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 0.6% is payable to the optionor. This agreement contains a 2 km area of influence that subjects adjacent lands but is bounded to areas east and north of the subject lands and does not impact any other optioned property.

4. Golden Bullet Property, NL - In November 2016, the Company acquired a 100% interest in the Golden Bullet Property via an option agreement with Roland Quinlan, Eddie Quinlan and Larry Quinlan. The Golden Bullet property is comprised of four map staked licences covering 1,200 hectares and under the terms of the agreement the Company is to pay the optionor a total of $125,000 and $100,000 worth of common shares of NFG are to be issued over a 36-month period; the option was fully executed in November 2019 resulting in a 100% ownership by NFG. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000. This agreement contains a 2 km area of influence that subjects adjacent lands but is limited to lands acquired after the agreement date.

5. Blackmore Property, NL - In December 2016, the Company acquired a 100% interest in the Blackmore Property via an option agreement with Neal Blackmore. The Blackmore property is comprised of two map staked licences covering 175 hectares and under the terms of the agreement the Company is to pay the optionor a total of $10,000; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 0.6% is payable to the optionor.

6. Guinchard Property, NL - In April 2017, the Company acquired a 100% interest in the Guinchard Property via an option agreement with Wayde Guinchard, Myrtle Guinchard and Peter Rogers. The Guinchard property is comprised of five map staked licences covering 625 hectares and under the terms of the agreement the Company is to pay the optionor a total of $45,000 and 105,000 shares over a 24-month period; the option was fully executed in April 2019 and the Company is the sole owner of the property. A net smelter royalty grant of 1.0% is payable to the optionor which can be reduced by 0.5% by paying the optionor $1,000,000.

7. JBP Linear Property, NL - In May 2017, the Company acquired a 100% interest in the JBP Linear Property via an option agreement with Roland Quinlan and Eddie Quinlan. The JBP Linear property is comprised of five map staked licences covering 1250 hectares and under the terms of the agreement the Company is to pay the optionor a total of $45,000 over a 24-month period; the option was fully executed in November 2019 and the Company is the sole owner of the property; although claim transfers are pending at the time of the report. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000.

8. P-Pond Property, NL - In May 2017, the Company acquired a 100% interest in the P-Pond Property via an option agreement with Stephen Stockley, Mark Stockley and Edward Stockley. The P-Pond property is comprised of three map staked licences covering 175 hectares and under the terms of the agreement the Company is to pay the optionor a total of $30,000 and $10,000 worth of shares are to be issued over a 12-month period; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 1.0% is payable to the optionor which can be reduced by 0.5% by paying the optionor $250,000.

9. Lush Property, NL - In September 2018, the Company acquired a 100% interest in the Lush Property via a purchase agreement with Paragon Minerals Corp. The Lush property is comprised of one map staked licence covering 50 hectares. Under the terms of the purchase agreement the Company is to grant a net smelter royalty of 0.5% payable to Paragon Minerals Corp along with an underlying net smelter royalty of 2.0% payable to Tom Lush which can be reduced by 1.0% by paying $1,000,000 to Tom Lush.

10. Queensway Map Staked Lands, NL - Between August 2016 and April 2017, the Company acquired a 100% interest of twenty-one licences covering 73,830 hectares through map staking.

Environmental and Exploration Permitting

All exploration activities, including reclamation, must comply with all pertinent federal and provincial laws and regulations, the fundamental requirement of which, is that exploration on crown land must prevent unnecessary or undue degradation or impact on fish and wildlife and requires reclamation if any degradation or impacts that occur. All exploration activities in Newfoundland and Labrador require an Exploration Approval from the Department of Natural Resources prior to the start of work. In this, approval requirements for the exploration are listed with contacts for the various entities given. Two Exploration Approvals are in place as of the date of this MD&A.

The first Exploration Approval is for diamond drilling (50 Holes), surface trenching (50 trenches), ground geophysics, prospecting and geochemistry on the Gander Gold North ("**GGN**") area. The second is for airborne geophysics, geochemical surveying and prospecting over the entire Queensway Project. The approvals expire one year from the date they are approved unless the exploration is completed earlier and is reported as being complete. Any changes to the planned work have to be submitted to the Department of Natural Resources and either an amended approval is given or a new application has to be made.

Water removal from ponds / streams etc. for trenching (washing trenches) or drilling requires a Water Use Permit which is granted for 1 year. One water use permit is in place for the GGN claims and related diamond drilling and trenching. The permit is issued until August 5, 2020. This permit can be renewed, or new permit issued to cover ongoing exploration activities.

Generally, the mineral licenses are available for exploration activities year-round and only subject to the conditions of the exploration approvals and water use license; other activities such as construction, road building, camps and water crossings may require additional permits from outside of the mines department. Mineral licenses within the southernmost portion of Gander Gold South ("**GGS**"), specifically licenses 024557M, 024558M, 024561M, 024563M, 024568M, and 024570M are restricted from exploration activities from mid-May to early-July due to spring habitat for Newfoundland caribou.

Project Infrastructure

The main access roads include the TCH that passes through the southern portion of the Appleton Fault Zone ("**AFZ**") / Joe Batts Pond Deformation Zone ("**JBPDZ**") claim areas on the GGN, and the Northwest Gander ("**NWG**") road that extends along the western portion of the property from the TCH just west of Glenwood, to the south and west of Gander Lake on the GGS. Gravel woods access roads originally built for the forestry industry, such as the AFZ access, the JBPDZ access, the JBP road and the roads to the east of the steel bridge across the NWG River and across the bridge to the east of the Southwest Gander River extend through most of the property, with areas in the extreme SE and SW the most difficult to access. The SW area is best accessed by woods roads from Route 360, the Baie D'Espoir highway, that leaves the TCH at Bishop's Falls, approximately 70 km to the west of Glenwood.

Transportation availability includes the international airport at Gander which has bush plane and helicopter bases, a helicopter base in Appleton and shipping through the ports of Lewisporte and Botwood, 25 km and 70 km to the west respectively, and north of the TCH, both with good harbours although problems with winter shipping due to sea and pack ice.

Electricity is available from the NL provincial grid, which has three transmission lines through the Queensway Project as follows:

1) A 350 kV HVdc direct current line which passes through the approximate centre of the GGS licences;
2) Two 138 kV HVac transmission lines to the north of the TCH crossing the AFZ and JBPDZ trends on the GGN licences;
3) A 69 kV HVac transmission line that approximately parallels the TCH to the north across the AFZ and JBPDZ trends on the GGN licences and follows the TCH and secondary routes.

In addition, electrical power is supplied, through the provincial grid, to the towns of Glenwood and Appleton which are surrounded by the NFG Queensway licences.

Historical Work

To date there has been over 25,538 metres of core in 218 holes drilled historically on the Queensway Project by Noranda, Rubicon and various operators from the mid 1980's through to 2012. Historical core drilling has primarily occurred north of Gander Lake along the two principal fault structures the AFZ and JBPDZ; the exploration drilling has been spread out amongst individual zones with drilling along 5 km of the AFZ targeting the Lotto, Powerline, Cokes, Keats, Dome, Trench 26, Road, Knob, Letha and Grouse Zones. Drilling at the JBPDZ has focussed along 3 km targeting the Pocket Pond and H-Pond zones and one drill hole targeting the 798 zone. Significantly lesser number of drill holes have also targeted zones south of Gander Lake including the Pauls Pond showing, Aztec and A-Zone extension and the Goose zone.

Throughout the 1980's through mid-2000's various operators and prospectors have completed surface geochemical sampling including tills, soils and rock samples. This amounts to roughly 1,200 till samples, over 60,000 soil samples and 4,000 rock samples spread across the large district scale project with concentrations of work around the many showings in the Queensway license group. This work has identified a number of gold in soil or gold in till anomalies that have led to surface gold discoveries or have yet to be explained with follow up exploration. Several locations throughout the project have defined surface float samples containing high grade gold mineralization some of which have led to surface gold occurrences while other locations have not been adequately explored to trace them to source.

Various historical ground geophysical surveys have been conducted throughout the Queensway Project with most of this work concentrated either along the AFZ, JBPDZ or in the region of the Paul's Pond and Greenwood Pond showings in the GGS claim group. Over 50 different geophysical surveys including VLF, EM, MAG and IP have covered ground-based grids throughout the Queensway Project. Various anomalies have been identified and often limited follow up exploration has occurred.

A significant number of surface trenches have been conducted at the project with over 330 trenches. Many of the historical trenches have targeted soil and till anomalies with only some of these reaching bedrock; often the trenches not reaching bedrock have left both soil and till anomalies unexplained and open for further interpretation and exploration.

In 1994 Gander River Minerals optioned the Knob property including the Knob prospect from Noranda Exploration Co Ltd. Drilling by Gander River Minerals allowed for production of a historical resource estimate of 236,391 tonnes grading 10.26 g/t Au. This historical estimate was published by Gander River Minerals in the technical document titled "Eighth Year Assessment Report Summary of Diamond Drilling Activities Conducted Within Licence No. 4344 The 'Knob' Prospect N.T.S. 20/15" authored by Dean Sheppard, 1994.

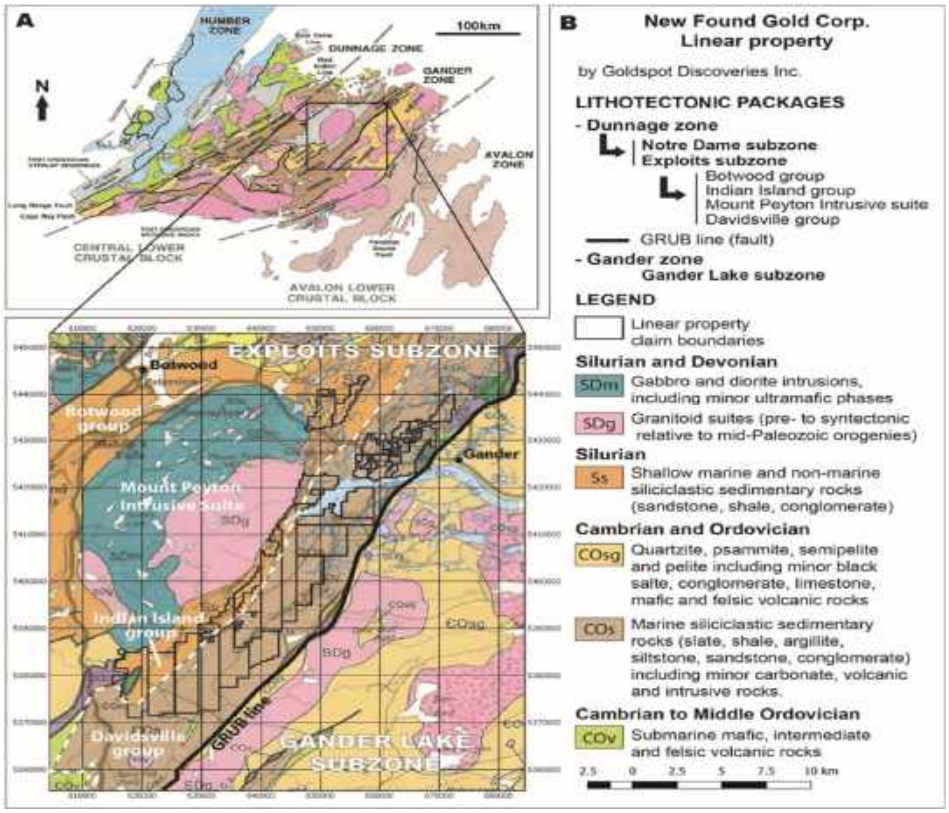
The data used in the preparation of the historical resource estimate does not meet the current standards of exploration quality assurance and quality control protocols such that it should not be relied upon to produce a current resource estimate for the Knob prospect. Significant additional drilling and data verification would be required to ensure the quality of historic data meets current standards for use in a resource estimate.

Additionally, the methods used in the preparation of the resource as a block long section methodology include certain assumptions of geological continuity and grade variography are not adequate to treat this as a current mineral resource estimate.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

Queensway Project Geology

The Queensway Project is located within the Exploits subzone of the Dunnage zone and lies just to the west of the Gander River Ultramafic Complex ("**GRUC**") fault, which is the Dunnage-Gander zones boundary. See figure below:



Queensway Project – Geological Overview Map

It mostly comprises Cambrian to Silurian meta-sedimentary rocks of the Davidsville group (Williams et al., 1988; Colman-Sadd et al., 1990; Valverde-Vaquero et al., 2006; van Staal, 2007; O'Reilly et al., 2010). The Davidsville group is divided into the Outflow Formation and the Hunt's Cove Formation. The property south of Gander Lake also includes the boundary between the Davidsville and Indian Island groups. The latter mainly comprises Silurian siliciclastic rocks, intruded by the Mount Peyton Intrusive suite.

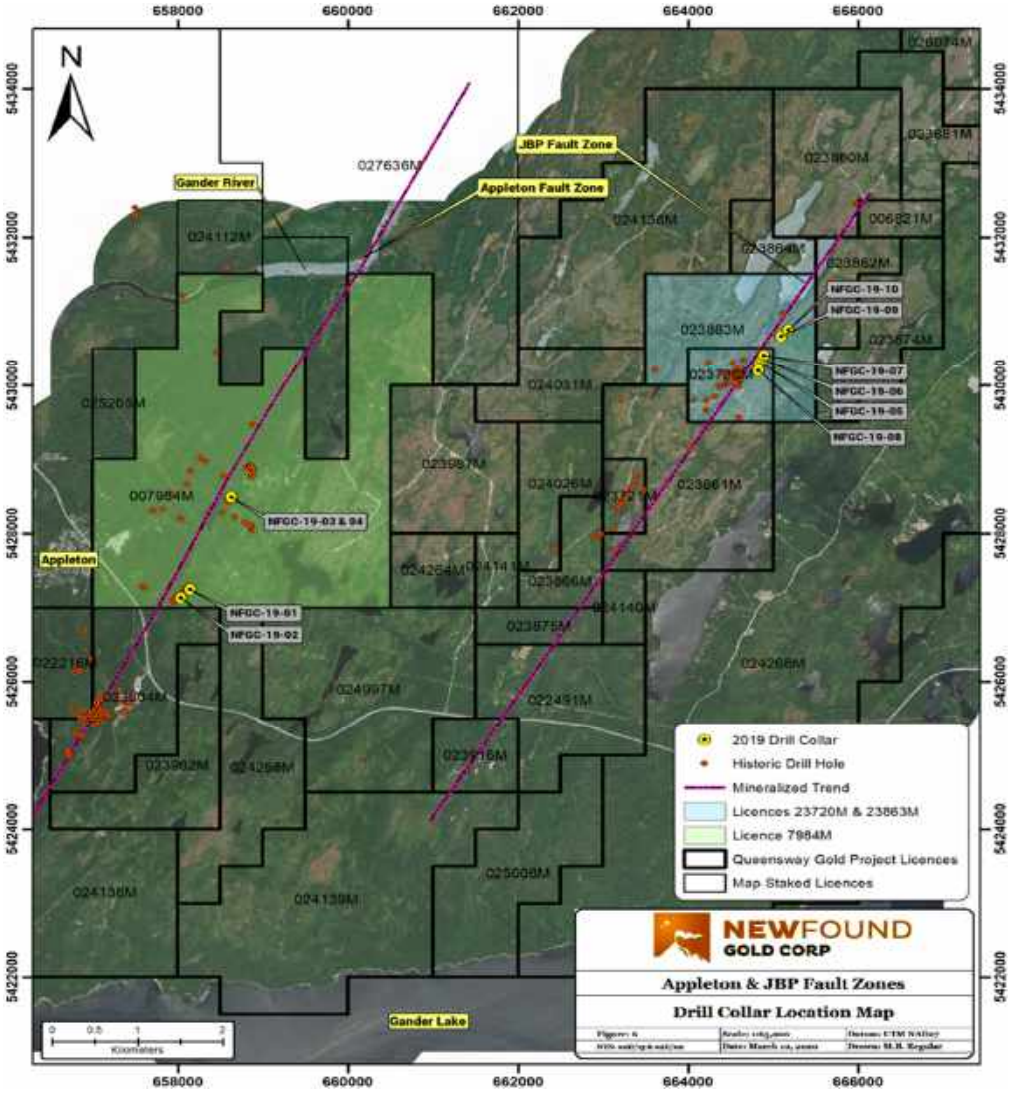
There are over 100 gold showings/occurrences on and around the Queensway Project however the most notable mineralized zones in the Queensway Project are the JBPDZ which includes the H-Pond, Pocket Pond, Glass, Logan and Lachlan showings and the AFZ which includes the Dome, Little, Knob, Letha, Lotto, Grouse, Road, Bullet, Trench 26, Cokes, Powerline, Keats and Bowater showings. A number of gold mineralized occurrences also occur within the GGS claim group including the Greenwood Pond, Hornet, North Pauls Pond, Aztec, Goose, Road Gabbro and LBNL showings.

Recent Exploration

NFG's 2019 Drill Campaign

The 2019 diamond drilling program at the AFZ comprised 586 metres of HQ diameter core in four holes completed between October 28, 2019 and November 17, 2019. Holes NFGC-19-01 and NFGC19-02 were drilled to target the Keats Zone where historical drilling and trenching suggested gold mineralization was to occur. Holes NFGC-19-03 and NFGC-19-04 were drilled from a single setup at the Dome Showing to further evaluate known gold mineralization. The 2019 drill program was successful in identifying gold mineralization along the AFZ at both the Keats and Dome showings.

Drilling along the JBP Fault Zone in 2019 was comprised of six holes totalling 1,400m between November 17, 2019 and December 14, 2019 targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC-19-06 only tested the Glass vein system, drill hole locations are show in the figure and table below:



Queensway Project – Plan Map of 2019 Drilling Program

BHID	UTME (NAD27)	UTMN (NAD27)	ZPT	DIP	BRG	LENGTH (m)
NFGC-19-01	658148	5427245	93	-43.6	302.19	199
NFGC-19-02	658035	5427130	90	-43.5	299.69	270
NFGC-19-03	658632	5428486	85	-44.7	0.39	64
NFGC-19-04	658632	5428486	85	-63.5	0.59	52
NFGC-19-05	664842.5	5430309	85	-44.7	302.69	274
NFGC-19-06	664867	5430352.5	85	-44.1	302.19	94.5
NFGC-19-07	664891	5430400	85	-44.6	300.99	248
NFGC-19-08	664823	5430200	85	-44.2	299.39	262
NFGC-19-09	665093	5430660	85	-44.2	300.89	299.6
NFGC-19-10	665176	5430750	85	-43.7	303.99	222.2
TOTAL						**1985.3**

New Valley Company Ltd. Of Springdale, NL carried out the diamond drilling using an EF-50 skid rig equipped to drill HQ size core. Drill sites and moves were made possible with a dozer. The drill crew placed all core in labelled wooden boxes which were collected daily by New Found Gold personnel. All collars were marked with pickets and foresighted by NFG personnel using GPS receivers. All completed holes were plugged and cemented and finally marked with a metal post to identify the hole and act as a hazard warning. Downhole dip data was collected using the Reflex EZ Shot by the drill crews near the beginning and end of each hole with a 50m spacing between tests where possible. Core was also oriented using the Reflex HQ ACT-III system.

All completed diamond drill holes were plugged and cemented with the casing being left. A metal flag post was attached to the collar and labelled to identify each drill hole. Downhole hole orientation data was obtained by drill crews using the Reflex EZ-Gyro Single Shot. Where possible core was also orientated using the Reflex HQ ACT-III system.

All core was logged by NFG personnel in a core logging facility at Gander, NL. Samples were sawn in half and sent for sample preparation to ALS Minerals in either Timmins, ON or Moncton, NB with analysis being done in Vancouver, BC. Where visible gold was noted, or high values of gold suspected, samples were analysed using the pulp metallic method otherwise a standard Au + 41 element ICP method was used. The insertion of a blank or standard occurred every 10 samples switching between the blank and standard reference material using 3 different standards, OREAS 218, 224 and 255. The blank consisted of an un-mineralized red sandstone from a roadcut near Botwood, NL.

The samples with the highest potential for gold were assayed using the ALS Mineral multi analysis screen, gravimetric and ore grade analysis, methods include; Au-AA26 Ore Grade Au 50g FA AA Finish, Au-GRA22 Au 50g FA-GRAV Finish, and Au-SCR24C Au Screen FA Double minus 50g 2-3 Kg.

The 2019 diamond drilling program at the AFZ was designed to further evaluate the gold mineralization and quartz veining along the east side of the Appleton Fault Trend specifically at the Keats and the Dome Showings. The results of this drilling will be used in conjunction with historical data to plan future exploration along the Appleton trend. Drilling along the JBP Fault Zone in 2019 was comprised of six holes totalling 1,400m targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC19-06 only tested the Glass vein system.

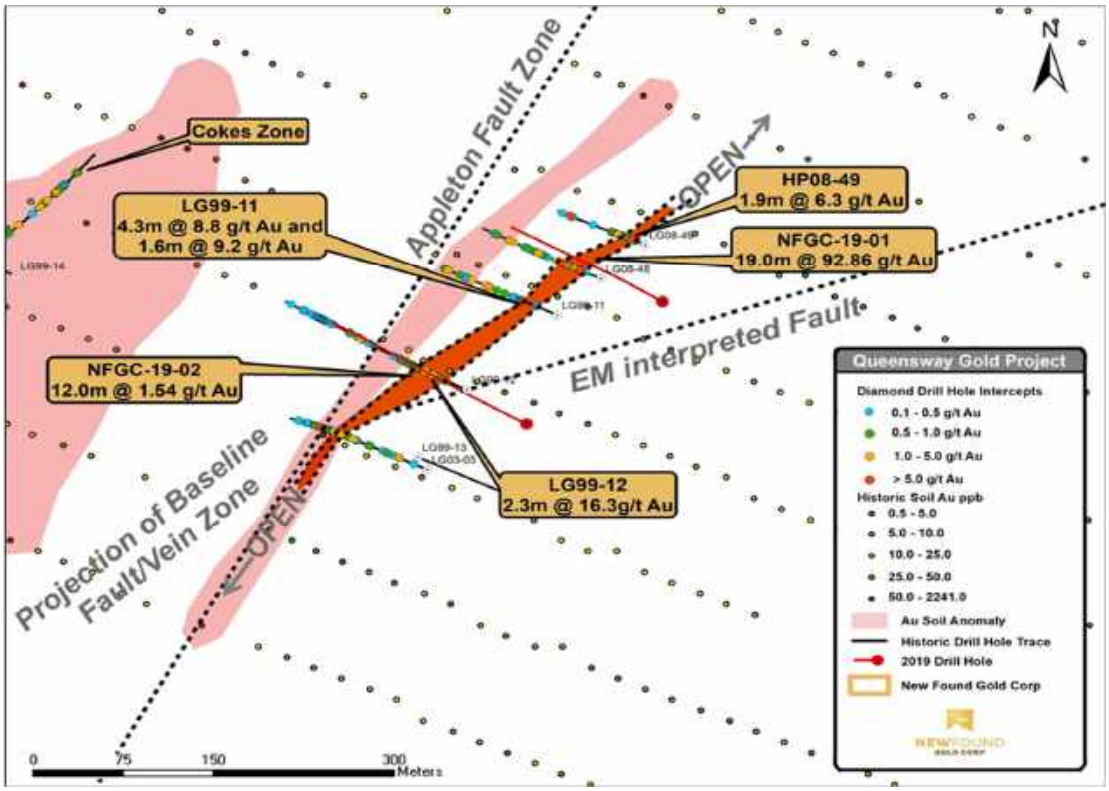
NFGC19-01 was planned to target 50 m vertically below historic drill hole LG08-48 at the Keats Zone. A significant gold mineralized zone was intercepted from 96 to 115 m grading 92.86g/t Au over 19.0 m including 285.2 g/t Au over 6.0 m containing considerable visible gold and wall rock sulphidation consisting of pyrite and lesser arsenopyrite. Within the quartz vein material traces of arsenopyrite, chalcopyrite and boulangerite were found. The zone was hosted in dark grey shale belonging to the Davidsville group and the quartz zone is spatially associated with a number of fault structures including one gouge zone up to 60cm in width. This is believed to be a second order structure to the Appleton fault and was intersected by all of the historic diamond drilling at the Keats zone but previously undocumented.

The vein intersection is the extension of the zone encountered in drill hole LG08-48 (50m above) and believed to be the extension of surface mineralization found in historical United Carina trench #3.

The quartz vein was notably vuggy and exhibiting textures associated with boiling events in epithermal gold zones. Possibly due to a flashing event within the larger mesothermal Appleton fault zone system.

A second mineralized fault structure was intersected at 177.5m with associated gold mineralization in lesser quartz stockwork from 177.5 to 180.0m depth grading 3.38g/t Au over 2.5m. Both fault zones intersected in the hole are believed to be secondary to the regional Appleton fault zone. Drilling did not continue in order to intersect the primary fault.

NFGC19-02 also targeted the Keats zone located 160m south of NFGC19-01 and targeting 50m vertically below historic drill hole LG99-12. This hole also intersected the second order fault structure found in NFGC19-01 with associated narrower quartz veinlets and wall rock sulphidation (pyrite and arsenopyrite) and visible gold in quartz. The composite grade of the zone was 1.54 g/t Au over 12.0 m with one meter grading 5.45 g/t Au and containing visible gold. Exhibiting a similar width and structural control to NFGC19-01 the results of this hole are promising as the Keats system is showing robust width and a known length up to 300m.



Queensway Project – Plan Map of 2019 Drilling Program at the Keats Zone

NFGC19-03 targeted the Dome showing main vein where historical drilling had previously intersected high grade gold mineralization. The main vein was intersected at a depth of 20.9 to 22.0 m with a second vein from 24.9 to 25.5 m and gave an overall composite grade of 16.52 g/t Au over 6.1m anchored by 162.5 g/t Au over 0.6 m.

NFGC19-04 also targeted the Dome showing main vein and from the same setup but drilling at -60 degrees below NFGC19-03; this hole intersected the main Dome vein from 28.3 to 29.7 m noting visible gold on the margin of the vein. This gave a composite average of 1.14 g/t Au over 8.0 m including one meter grading 4.61 g/t Au.

At the Dome showing visible gold mineralization appears to be primary confined to the margin of the vein. Of particular note was the apparent vuggy nature of the quartz and similarity to the veining intersected at the Keats zone suggestive that the emplacement mechanisms were similar.

NFGC19-05, 06, 07, 08 were all drilled to target the Glass vein system which was discovered in 2017 and excavated by NFG in 2017 and again in 2018. All four holes were targeted to intersect the Glass vein system at shallow depths (<25m). The Glass vein system is believed to be a parallel vein system to the H-Pond zone approximately 100m to the west and drill holes NFGC-19-05, 07 and 08 were extended to intersect both vein systems.

The Glass vein array was noted in holes NFGC-19-05, 06 and 08 but gave poor gold results and visible mineralization was very limited.

NFGC19-05 was successfully intersected a broad vein intercept within the H-Pond zone from 231.0 to 242.0m grading 2.35 g/t over 11.0 m including 6.73 g/t Au over 3.0 m as well as a second vein intersection from 268.0 to 269.0m grading 2.75 g/t Au over 1.0 m. This intercept has extended the known mineralized extents of the H-Pond zone by roughly 150 m along strike. The vein system was marked by significant iron-carbonate alteration zone. This is also one of the deepest intersections of the H-Pond zone to date.

NFGC19-06, 07 and 08 failed to intersect any significant mineralization.

NFGC19-09, 10 were both drilled along strike of the H-Pond and Glass vein systems along the JBPDZ and drilling in an area with very high gold in till results (1744 zone) and a significant number of visible gold bearing float samples which were interpreted to be derived from the JBPDZ. Both holes were successful in intersecting new vein systems as shown in figures below. The broad quartz intercept in NFGC-19-09 shows a nearly identical alteration and sulphide pattern to the intercept in NFGC19-05 from the H-Pond zone. The intercept in NFGC-19-09 is believed to be an extension of the H-Pond by roughly 500m along strike. NFGC-19-09 intersected 4.39 g/t Au over 9.0 metres including 17.45 g/t Au over 2.0 metres from the well altered vein set thought to be the extension of the H-Pond zone. An intercept near the top of NFGC-19-10 with unknown correlation to NFGC-19-09 intersected 1.07 g/t Au over 4.0 metres and several lesser zones.

The 2019 drilling campaign was successful in identifying auriferous quartz veined zones of sufficient size, tenor and textural characteristics to warrant additional exploration. Based on the drill results to date, the Appleton Fault Trend has potential to host an Epizonal style Orogenic gold deposit with mineralization styles similar to those of the Fosterville Mine in Australia. The occurrence of vuggy veins with free gold and a blend of antimony mineral species including stibnite and boulangerite suggest a flash boiling event on a near mesothermal orogenic gold system such as seen at Fosterville.

Significant composite gold assay results are shown in the table below; the true widths of the mineralization in the below table is not known but estimated to be from 60-80% of the down hole composite width based on intersection angles and correlation to historical drilling.

2019 Diamond Drill Hole Significant Gold Composite Intercepts

Hole ID	From	To	Length(m)	Au (g/t)	Zone
NFGC-19-01	83.0	83.7	0.7	2.46	Keats
NFGC-19-01	95.0	115.5	20.5	86.17	Keats
incl	96.0	115.0	19.0	92.86	
incl	105.0	111.0	6.0	285.20	
NFGC-19-01	117.5	118.5	1.0	1.56	Keats
NFGC-19-01	146.5	147.5	1.0	1.30	Keats
NFGC-19-01	177.5	180.0	2.5	3.38	Keats
NFGC-19-02	142.0	154.0	12.0	1.54	Keats
incl	142.0	143.0	1.0	5.45	
NFGC-19-02	253.0	254.0	1.0	1.07	Keats
NFGC-19-03	20.4	26.5	6.1	16.52	Dome
incl	20.9	21.5	0.6	162.50	
NFGC-19-04	26.0	34.0	8.0	1.14	Dome
incl	29.0	30.0	1.0	4.61	
NFGC-19-05	231.0	242.0	11.0	2.35	H-Pond
incl	231.0	234.0	3.0	6.73	
NFGC-19-05	268.0	269.0	1.0	2.75	H-Pond
NFGC-19-06	NSV				
NFGC-19-07	NSV				
NFGC-19-08	NSV				
NFGC-19-09	15.5	16.5	1.0	1.65	H-Pond
NFGC-19-09	120.0	122.0	2.0	1.13	H-Pond
NFGC-19-09	162.0	171.0	9.0	4.39	H-Pond
incl	165.0	167.0	2.0	17.45	H-Pond
NFGC-19-10	22.0	26.0	4.0	1.07	H-Pond
NFGC-19-10	66.0	68.0	2.0	1.59	H-Pond
NFGC-19-10	180.0	185.0	5.0	0.62	H-Pond

Lucky Strike Project, Ontario

The Lucky Strike Project is located 10 km north of Larder Lake, Ontario and covers favourable and underexplored structural corridors associated with the Larder Cadillac Deformation Zone.

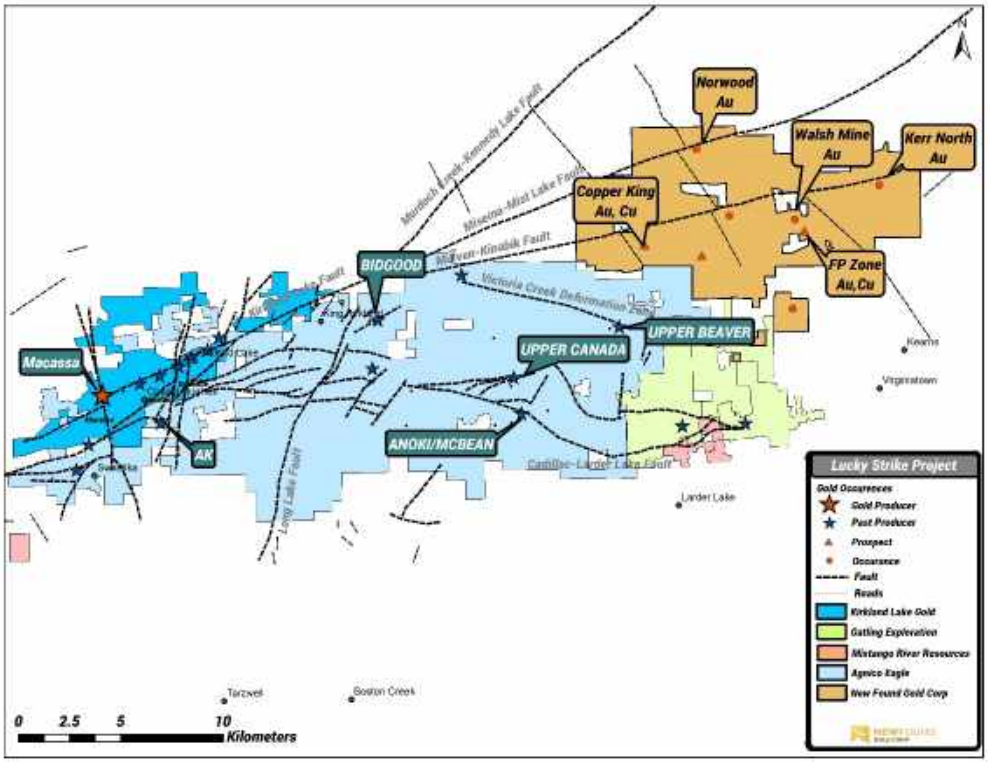
The Lucky Strike Project is comprised of 548 single cell un-patented mining claims.

Land History

The current mineral cells comprising the Lucky Strike Project were acquired from the completion of two option agreements, one purchase agreement and online staking.

On May 27th, 2016, the Company optioned the primary Lucky Strike Project from Ashley Gold Mines Ltd. which was further amended in May 2019 and fully executed in November 2019. Under the terms of the agreement the Company paid $115,000 and issued common shares equivalent to $80,000. The option agreement included an underlying royalty payable to Wallbridge mining covers some of the claims with most of the claims carrying no net smelter royalties.

On July 26th, 2017, the Company optioned the Vallillee extension claims west of the primary Lucky Strike land package and this option agreement was fully executed July 2018. Under the terms of the agreement the Company paid $40,000 and issued a 2% NSR in favour of the optionors.



Lucky Strike Project – Project Location map, fault systems and Adjacent Projects

Environmental and Exploration Permitting

The Company was issued an exploration plan by the Ontario MNDM on July 13, 2017, to cover exploration activities including mechanized trenching and mechanized diamond drilling and this permit is set to expire in July 2020.

Lucky Strike Project Geology

The Lucky Strike Project is covered by the Lower Blake River Group which are dominated by intermediate to mafic, massive volcanic flows. The volcanic flows have been intruded by diorite-gabbro intrusions which are up to 7 kilometres by 1.5 kilometre in size. In the Walsh-FP area a syenite-syenite porphyry intrudes the mafic-intermediate volcanics and hosts the gold-bearing quartz-ankerite veins of the Walsh Mine. The long axis of this syenite intrusion strikes approximately north-south and extends for 3.5 kilometres on the property and another 3 kilometres south of the property and is generally 0.5 kilometres wide. Two major regional faults cross the property, the Misema-Misty Lake Fault and the Mulven Fault, striking roughly in a northeast-southwest direction. These structures have been speculated as being as a continuation of the Kirkland Main Break Fault system which hosted the seven historic gold mines of the Kirkland Lake Gold camp. The Victoria Creek Deformation Zone, possibly a splay off the Misema-Misty Lake Fault and a control on the Victoria Creek and Upper Beaver Mines, lies just south of the property with splay structures extending onto the property.

The following tables summarize the capitalized costs and exploration costs incurred to date associated with the Company's exploration and evaluation assets:

	Newfoundland			
	Queensway	Other	Ontario	Total
Year ended December 31, 2019	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2018	276,330	107,835	293,516	677,681
Additions	382,370	-	132,000	514,370
Impairment	-	(91,335)	-	(91,335)
Balance as at December 31, 2019	658,700	16,500	425,516	1,100,716
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2018	1,890,601	-	831,337	2,721,938
Assays	37,456	-	1,937	39,393
Drilling	250,260	-	-	250,260
Geophysics	153,934	-	-	153,934
Salaries & consulting	92,831	-	-	92,831
Supplies & equipment	62,412	-	-	62,412
Property taxes, mining leases and rent	45,500	-	3,859	49,359
Travel	9,350	-	-	9,350
	651,743	-	5,796	657,539
Cumulative exploration expense – December 31, 2019	2,542,344	-	837,133	3,379,477

	Newfoundland				
	Queensway	Other	Ontario	Other	Total
Year ended December 31, 2018	$	$	$	$	$
Exploration and evaluation assets					
Balance as at December 31, 2017	220,585	79,590	418,266	431,204	1,149,645
Additions	55,745	100,000	32,850	97,923	286,518
Disposals	-	-	(157,600)	(529,127)	(686,727)
Impairment	-	(71,755)	-	-	(71,755)
Balance as at December 31, 2018	276,330	107,835	293,516	-	677,681
Exploration and evaluation expenditures					
Cumulative exploration expense - December 31, 2017	907,752	-	122,374	299,298	1,329,424
Assays	78,387	-	78,387	-	156,774
Geophysics	300,000	-	338,156	-	638,156
Salaries & consulting	423,922	-	43,325	50,603	600,090
Supplies & equipment	43,327	-	125,565	-	86,652
Property taxes, mining leases and rent	22,775	-	9,092	-	31,867
Travel	114,438	-	114,438	-	228,876
	982,849	-	708,963	50,603	1,742,415
Properties no longer explored	-	-	-	(349,901)	(349,901)
Cumulative exploration expense – December 31, 2018	1,890,601	-	831,337	-	2,721,938

Overall Performance and Results of Operations

Total assets increased to $9,355,036 at December 31, 2019, from $1,783,497 at December 31, 2018, primarily as a result of private placement financings completed in June 2019, July 2019 and November 2019 for gross proceeds of $9,250,000. The most significant assets at December 31, 2019, were cash of $7,336,638 (December 31, 2018: $323,179), prepaid expenses and deposits of $436,436 (December 31, 2018: $68,630), sales taxes recoverable of $291,075 (December 31, 2018: $109,414) and exploration and evaluation assets of $1,100,716 (December 31, 2018: $677,681). Cash increased by $7,013,459 during the year ended December 31, 2019 as a result of the issuances of shares and warrants in the amount of $9,250,000, proceeds from stock option exercises of $439,500 and proceeds on disposals of investments of $280,786. The increase in cash was partially offset by exploration and evaluation asset expenditures of $307,370 and cash used in operating activities of $2,649,457.

Year ended December 31, 2019 and 2018

During the year ended December 31, 2019, loss from operating activities increased by $1,265,354 to $3,925,409 compared to $2,660,055 for the year ended December 31, 2018. The increase in loss from operating activities is largely due to:

- An increase of $384,793 in salaries and consulting fees. Salaries and consulting fees were $987,399 for the year ended December 31, 2019, compared to $602,606 for the year ended December 31, 2018. The increase is due to performance bonuses and compensation paid to key management personnel during the year ended December 31, 2019.

- An increase of $2,008,167 in share-based compensation. Share-based compensation was $2,130,528 for the year ended December 31, 2019 compared to $122,361 for the year ended December 31, 2018. 5,605,000 fully vested stock options with a value of $2,130,528 were granted during the year ended December 31, 2019 compared to 350,000 fully vested stock options granted during the year ended December 31, 2018.

The increase in loss from operating activities was partially offset by:

- A decrease of $1,084,876 in exploration and evaluation expenditures. Exploration and evaluation expenditures were $657,539 for the year ended December 31, 2019 compared to $1,742,415 for the year ended December 31, 2018. The Company completed a diamond drilling program comprised of ten holes totalling 1,986 meters drilled at its Queensway Project during the year ended December 31, 2019 compared to the Company completing ground IP geophysical surveys at its Queensway and Lucky Strike projects during the year ended December 31, 2018.

Other items

During the year ended December 31, 2019, other expenses increased by $1,413,545 to $94,623 compared to other income of $1,318,922 for the year ended December 31, 2018. The increase in other expenses is largely due to:

- A decrease of $2,300,840 in gain on sale of exploration and evaluation assets. There were no disposals of exploration and evaluation assets during the year ended December 31, 2019. The Company sold certain north-eastern Ontario exploration and evaluation assets for total consideration of $2,458,400, comprising cash of $1,030,000 and investments having a fair value of $1,428,440, and derecognized exploration and evaluation assets at their carrying value of $157,600 during the year ended December 31, 2018.

The increase in other expenses were partially offset by:

- An increase of $817,586 in net change in unrealized gains on investments. Net change in unrealized gain on investments was $118,355 for the year ended December 31, 2019 compared to $699,231 in unrealized loss on investments for the year ended December 31, 2018. The increase is due to changes in the fair values of equity investments held at December 31, 2019.

The Company recorded loss and comprehensive loss of $4,020,032 or 0.07 basic and diluted loss per share for the year ended December 31, 2019 (December 31, 2018: $1,334,928 or 0.02 basic and diluted loss per share).

SELECT ANNUAL INFORMATION

Selected annual information from the audited financial statements for the years ended December 31, 2019, 2018 and 2017 is presented in the table below. The financial data below has been prepared in accordance with IFRS and is reported in Canadian dollars.

Selected Annual Financial Information	**December 31, 2019 $**	December 31, 2018 $	December 31, 2017 $
Total Assets	**9,355,036**	1,783,497	3,008,057
Operating expenses	**(1,137,342)**	(795,279)	(451,802)
Share-based compensation	**(2,130,528)**	(122,361)	(408,240)
Exploration and evaluation expenditures	**(657,539)**	(1,742,415)	(1,420,855)
Impairment of exploration and evaluation assets	**(91,335)**	(71,755)	-
Net realized (loss) gain on disposal of investments	**(120,734)**	(216,570)	209,452
Net change in unrealized gains (losses) on investments	**118,355**	(699,231)	(3,606)
Gain on sale of exploration and evaluation assets	**-**	2,300,840	1,665,000
Net loss comprehensive loss	**(4,020,032)**	(1,334,928)	(415,052)
Loss per share – basic and diluted	**(0.07)**	(0.02)	(0.01)

Three months ended December 31, 2019 and 2018

During the three months ended December 31, 2019, loss from operating activities increased by $2,151,530 to $3,111,693 compared to $960,163 for the three months ended December 31, 2018. The increase in loss from operating activities is largely due to:

- An increase of $319,706 in salaries and consulting fees. Salaries and consulting fees were $498,399 for the three months ended December 31, 2019, compared to $178,693 for the three months ended December 31, 2018. The increase is due to performance bonuses and compensation paid to key management personnel during the three months ended December 31, 2019.

- An increase of $2,008,167 in share-based compensation. Share-based compensation was $2,130,528 for the three months ended December 31, 2019 compared to $122,361 for the three months ended December 31, 2018. 5,605,000 fully vested stock options with a value of $2,130,528 were granted during the three months ended December 31, 2019 compared to 350,000 fully vested stock options granted during the three months ended December 31, 2018.

The increase in loss from operating activities was partially offset by:

- A decrease of $214,358 in exploration and evaluation expenditures. Exploration and evaluation expenditures were $377,099 for the three months ended December 31, 2019 compared to $591,457 for the three months ended December 31, 2018. The Company completed a diamond drilling program comprised of ten holes totalling 1,986 meters drilled at its Queensway Project during the three months ended December 31, 2019 compared to the Company completing ground IP geophysical surveys at its Queensway and Lucky Strike projects during the three months ended December 31, 2018.

Other items

During the three months ended December 31, 2019, other income increased by $271,477 to $29,109 compared to other income of $242,368 for the three months ended December 31, 2018. The increase in other income is largely due to:

- An increase of $241,534 in net change in unrealized gains on investments. Net change in unrealized gain on investments was $76,312 for the three months ended December 31, 2019 compared to $165,222 in unrealized loss on investments for the three months ended December 31, 2018. The increase is due to changes in the fair values of equity investments held at December 31, 2019.

The Company recorded loss and comprehensive loss of $3,082,583 or 0.05 basic and diluted loss per share for the three months ended December 31, 2019 (December 31, 2018: $1,202,531 or 0.02 basic and diluted loss per share).

Summary of Quarterly Results

	2019				2018			
	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $
Revenues	-	-	-	-	-	-	-	-
(Loss) income and comprehensive (loss) income for the period	(3,082,583)(1)	(85,022)(2)	(355,709)(3)	(496,717)(4)	(1,202,531)(5)	(1,021,224)(6)	1,010,472(7)	(121,645)
(Loss) earnings per Common Share Basic and Diluted	(0.05)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	0.02	(0.00)

(1) Increase from prior quarter primarily driven by increases in salaries and consulting fees of $407,399, share-based compensation of $2,130,528, professional fees of $71,652, exploration and evaluation expenditures of $390,984 and impairment of exploration and evaluation assets of $46,335 partially offset by an increase in net change in unrealized gain on investments of $74,854.
(2) Decrease from prior quarter primarily driven by decrease in salaries and consulting fees of $142,500, exploration and evaluation expenditures of $68,678 and impairment of exploration and evaluation assets of $45,000.
(3) Decrease from prior quarter primarily driven by a decrease in exploration and evaluation expenditures of $184,723.
(4) Decrease from prior quarter primarily driven by decreases in share-based compensation of $122,361, exploration and evaluation expenditures of $351,942 and impairment of exploration and evaluation assets of $71,755. The Company realized net losses on disposal of investments of $120,734 and net change in unrealized losses on investments of $217,287.
(5) Increase from prior quarter primarily driven by increase in share based compensation of $122,361.
(6) Decrease from prior quarter primarily driven by increases in exploration and evaluation expenditures of $326,694 and net realized losses on disposal of investments of $423,412, partially offset by a decrease in gain on sale of exploration and evaluation assets of $2,195,840 and net change in unrealized gains on investments of $927,709.
(7) Increase from prior quarter primarily driven by increase in gain on sale of exploration and evaluation assets of $2,090,840, partially offset by increases in exploration and evaluation expenditures of $92,038, net realized losses on disposal of investments of $79,394 and net change in unrealized losses on investments of $844,726.

Liquidity and Capital Resources

As at December 31, 2019, the Company had cash of $7,336,638 to settle current liabilities of $392,849.

The Company does not currently have a recurring source of revenue and has historically incurred negative cash flows from operating activities. As at December 31, 2019, the Company had working capital of $7,832,322 consisting primarily of cash, prepaid expenses and deposits and sales taxes recoverable. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The sources of funds currently available to the Company for its acquisition and exploration projects are solely due from equity financing.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

November 2019 Financing – Net Proceeds of $8,000,000

In November 2019, the Company completed a non-brokered private placement of 16,000,000 units at a price of $0.50 per unit for total proceeds of $8,000,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.75 per share for three years from the issuance date. The Company intends to use these proceeds towards continued exploration work at its Queensway Project, general and administrative expenditures and working capital purposes to fund ongoing operations.

Uses of Funds:	**Intended Use of Proceeds (Estimated) $**	**Actual Use of Proceeds $**	**Over/(Under)-Expenditure at December 31, 2019 $**
Queensway Project work program	3,000,000	492,120	(2,507,880)
General and administrative expenses	2,000,000	446,107	(1,553,893)
Working capital to fund ongoing operations	3,000,000	212,703	(2,787,297)
Total Uses	8,000,000	1,150,930	(6,849,070)

The Company used $492,120 of the proceeds towards the Company's diamond drill program at fits Queensway Project which commenced in November 2019 and comprised 10 holes totalling 1,986 meters drilled, as well as, assay lab work. The Company used $446,107 of the proceeds for general and administrative expenditures primarily related to consulting and executive management compensation of $438,382 and office and sundry of $7,725.

July 2019 Financing – Net Proceeds of $500,000

In July 2019, the Company completed a non-brokered private placement of 1,250,000 common shares at a price of $0.40 per share for gross proceeds of $500,000.

Uses of Funds:	Intended Use of Proceeds (Estimated) $	Actual Use of Proceeds $	Over/(Under)-Expenditure at December 31, 2019 $
Working capital to fund ongoing operations	500,000	500,000	-
Total Uses	500,000	500,000	-

The Company used these proceeds for working capital purposes to fund ongoing operations.

June 2019 Financing – Net Proceeds of $750,000

In June 2019, the Company completed a non-brokered private placement of 1,875,000 common shares at a price of $0.40 per share for gross proceeds of $750,000.

Uses of Funds:	Intended Use of Proceeds (Estimated) $	Actual Use of Proceeds $	Over/(Under)-Expenditure at December 31, 2019 $
Working capital to fund ongoing operations	750,000	750,000	-
Total Uses	750,000	750,000	-

The Company used these proceeds for working capital purposes to fund ongoing operations.

Outstanding Share Data

During the year ended December 31, 2019, the Company issued 517,499 common shares at $0.40 per share totaling $207,000, pursuant to the acquisition of exploration and evaluation assets in accordance with the terms of certain property option agreements.

During the year ended December 31, 2019, 2,930,000 stock options were exercised at $0.15 per share for gross proceeds of $439,500.

During the year ended December 31, 2019, 5,605,000 stock options were granted to directors, officers and consultants with an exercise price of $0.50 and an expiry date of December 17, 2024.

On June 18, 2019, the Company completed a non-brokered private placement financing of 1,875,000 common shares at $0.40 per share for gross proceeds of $750,000.

On July 3, 2019, the Company completed a non-brokered private placement financing of 1,250,000 common shares at $0.40 per share for gross proceeds of $500,000.

On November 29, 2019, the Company completed a non-brokered private placement financing of 16,000,000 units at $0.50 per unit for gross proceeds of $8,000,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.75 per share for three years from the issuance date.

As at December 31, 2019 and the date of this report, there were 78,924,249 common shares issued and outstanding.

As at December 31, 2019 and the date of this report, there were 7,885,000 stock options and 16,000,000 warrants outstanding.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Year ended December 31,	
	2019	2018
	$	$
Amounts paid to Goldspot Discoveries Inc.[(1)] for exploration and evaluation	163,500	305,000
Amounts paid on behalf of Radio Fuels Corp. [(2)]	-	(258,460)
Reimbursements of amounts owed from Radio Fuels Corp.	-	258,460
Amounts paid on behalf of Casino Gold Corp. [(3)]	-	(331,039)
Reimbursements of amounts owed from Casino Gold Corp.	-	331,039
Issuance of common shares to Goldspot Discoveries Inc. in a private placement	750,000	-
Options exercised by members of key management	375,000	-

(1) Goldspot Discoveries Inc. is a related entity having common officers and directors to the Company.
(2) Radio Fuels Corp. is a related entity having common officers and directors to the Company. Amounts paid on behalf of and reimbursed from Radio Fuels Corp. were for exploration and evaluation expenditures.
(3) Casino Gold Corp. is a related entity having common officers and directors to the Company. Amounts paid on behalf of and reimbursed from Casino Gold Corp. were for exploration and evaluation expenditures.

Key Management Personnel Compensation

During the year ended December 31, 2019, key management personnel compensation totaled $2,392,822 (2018: $297,401) comprised of salaries and consulting of $786,899 (2018: $210,000) paid to the Chief Financial Officer, the Chief Operating Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman and share-based compensation of $1,605,923 (2018: $87,401) relating to 4,225,000 (2018: 250,000) stock options granted to directors and officers of the Company.

As at December 31, 2019, $21,667 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer (2018: $349,450 owed to Goldspot Discoveries Inc.).

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating gold properties. It is exposed to a number of risks and uncertainties that are common to other gold mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give any assurance that any mineral resources will be identified. If the Company fails to identify any mineral resources on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on any of its properties, its financial condition and results of operations will be materially adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the Queensway Technical Report is based, in part, upon, historical data compiled by previous parties involved with the Queensway Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters.

Although Canada has a favorable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by purchasers. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Uninsured and Underinsured Risks

The Company faces and will face various risks associated with mining exploration and the management and administration thereof Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

Public Health Crises such as the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of the Queensway Project and the Company's other mineral projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of the Queensway Project and other mineral projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's financial position and results of operations.

COVID-19 and efforts to contain it may have broad impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital could be adversely impacted.

In addition, the current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Company's suppliers, contractors and service providers.

Environmental Risks

The Company's activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Provinces of Newfoundland and Ontario.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGO**s") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a social responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Conflicts of Interest

Most of the Company's directors and officers do not devote their full time to the affairs of the Company. All of the directors and some of the officers of the Company are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the OBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Gold and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of our revenue will be derived from the sale of gold. Therefore, the Company's future profitability will depend upon the world market prices of the gold for which it is exploring. The price of gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes.

Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on gold prices.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this MD&A, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Information Systems and Cyber Security

The Company's operations depend on information technology ("**IT**") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Critical Accounting Policies and Estimates

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**").

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

Valuation of Options Granted and Warrants Issued

The fair value of common share purchase options granted and warrants issued is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of stock-based compensation expense, share capital, and reserves.

Computation of Income Taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used.

The Company is subject to assessments by taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Shares Issued to Acquire Exploration and Evaluation Assets

From time to time, the Company issues common shares in the course of acquiring exploration and evaluation assets. When shares are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the shares issued. These estimates impact the value of share capital and exploration and evaluation assets.

(ii) Critical accounting judgments

Impairment of Exploration and Evaluation Assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Management has determined that there were indicators of impairment as at December 31, 2019 and has impaired $91,335 (December 31, 2018 - $71,755) in exploration and evaluation assets

Changes in Accounting Standards

The Company has adopted the following accounting standards effective January 1, 2018:

The Company adopted, retrospectively without restatement, all of the requirements of IFRS 9: Financial Instruments ("**IFRS 9**") as of January 1, 2018. This standard replaces the guidance in IAS 39: Financial Instruments: Recognition and Measurements ("**IAS 39**"). The adoption of IFRS 9 did not impact the carrying value of any of the Company's financial assets or financial liabilities on the transition date.

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

The adoption of the following accounting standards, effective January 1, 2018, had no impact on the financial statements. These standards are:

IFRS 15 – Revenue from Contracts with Customers
Interpretations 22 – Foreign Currency Transactions and Advance Considerations

The adoption of the following accounting standards, effective January 1, 2019, had no impact on the financial statements. These standards are:

IFRS 16 - Leases

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. Sales taxes recoverable are due from the Canada Revenue Agency and the Company places its cash with financial institutions with high credit ratings, therefore in management's judgment, credit risk is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. As at December 31, 2019, the Company has total liabilities of $392,849, and cash of $7,336,638 which is available to discharge these liabilities (2018: total liabilities of $828,306 and cash of $323,149). Accordingly, in management's judgment, liquidity risk is low.

There have been no changes in management's methods for managing liquidity risk since December 31, 2018.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Currency Risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts denominated in US dollars and investments denominated in Australian dollars. Fluctuations in the exchange rate between the US dollar and the Canadian dollar at December 31, 2019 would not have a material impact on the Company's net earnings and other comprehensive income. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the Australian dollar at December 31, 2019 would change the Company's net loss (income) by $11,494 as a result of a 10% change in the Canadian dollar exchange rate relative to the Australian dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

Commodity Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Equity Price Risk

Equity price risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments in unfavorable market conditions which could result in dispositions of investments at less than favorable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability. The sensitivity of the Company's net income (loss) to changes in market prices at December 31, 2019 would change the Company's net income (loss) by $11,494 as a result of a 10% change in the market price of its investments.

There have been no changes in management's methods for managing market risks since December 31, 2018.

Capital management

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity consisting of common shares, stock options and warrants, and deficit that as at December 31, 2019 totalled $8,962,187 (2018 - $955,191). In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors.

To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are sufficient to carry out our exploration plans and support operations through the current operating period.

The Company is not subject to any capital requirements imposed by a regulator.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A contains forward looking statements which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements.

These forward-looking statements include, among other things, statements relating to; the Queensway Project and the Company's planned and future exploration on the Queensway Project and its other mineral properties; the Company's goals regarding exploration and potential development of its projects; the Company's future business plans; expectations regarding the ability to raise further capital; the market price of gold; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its mineral properties; government regulation of mineral exploration and development operations in the Provinces of Newfoundland and Labrador and Ontario; the Company's compensation policy and practices; the Company's expected reliance on key management personnel, advisors and consultants; effects of the novel COVID-19 outbreak as a global pandemic.

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, assumptions about: the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company's mineral properties; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the demand for, and price of gold; that general business and economic conditions will not change in a material adverse manner; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the geology of the Queensway Project as described in the Queensway Technical Report; the accuracy of budgeted exploration and development costs and expenditures; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; the Company's ability to attract and retain skilled personnel; political and regulatory stability; the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; expectations regarding the level of disruption to exploration at the Queensway Project as a result of COVID 19; availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation: the Company may fail to find a commercially viable deposit at any of its mineral properties; there are no resources or mineral reserves on any of the properties in which the Company has an interest; the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold; the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; public health crises such as the COVID-19 pandemic may adversely impact the Company's business; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon

the world market prices of gold; there is no existing public market for the Company's securities and an active and liquid one may never develop, which could impact the liquidity of the Company's securities; dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change; other factors discussed under "*Risk and Uncertainties*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

On January 26, 2020, the Company entered into a binding letter agreement with Mexican Gold Corp. ("**Mexican Gold**") to have all of the issued and outstanding shares of the Company acquired by Mexican Gold. On February 19, 2020, the Company announced that the binding letter agreement was mutually terminated.

There are no proposed transactions at the date of this report.

Additional Information

Additional information relating to the Company is available on its website at www.newfoundgold.ca.

SCHEDULE C – INTERIM FINANCIAL STATEMENTS

Unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019

(See attached)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2020 AND 2019

(Unaudited - Expressed in Canadian Dollars)

New Found Gold Corp.
Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash		5,802,701	7,336,638
Investments, at fair value	4	11,647,506	114,937
Amounts receivable		85,887	46,085
Prepaid expenses and deposits		507,473	436,436
Sales taxes recoverable		433,834	291,075
Total current assets		18,477,401	8,225,171
Non-current assets			
Exploration and evaluation assets	3	1,100,716	1,100,716
Property, plant and equipment		26,963	29,149
Total non-current assets		1,127,679	1,129,865
Total Assets		19,605,080	9,355,036
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	513,245	392,849
Total current liabilities		513,245	392,849
EQUITY			
Share capital	5	27,471,972	10,735,862
Reserves	5	4,667,467	4,667,467
Deficit		(13,047,604)	(6,441,142)
Total equity		19,091,835	8,962,187
Total Equity and Liabilities		19,605,080	9,355,036

NATURE OF OPERATIONS (Note 1)
COMMITMENTS (Note 10)
SUBSEQUENT EVENTS (Note 13)

These financial statements are authorized for issue by the Board of Directors on June 5, 2020. They are signed on the Company's behalf by:

"Collin Kettell" , Director

"John Anderson" , Director

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

New Found Gold Corp.
Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

		Three months ended March 31,	
		2020	2019
	Note	$	$
Expenses			
Exploration and evaluation expenditures	3,6	727,990	239,515
Depreciation		2,186	3,123
Filing fees		5,500	-
Office and sundry		20,795	9,235
Professional fees		177,695	-
Salaries and consulting	6	440,382	164,500
Travel		29,245	11,675
Loss from operating activities		(1,403,793)	(428,048)
Foreign exchange gain		(872)	-
Net realized losses on disposal of investments	4	-	(120,734)
Net change in unrealized (losses) gains on investments	4	(5,203,541)	52,065
Total loss and comprehensive loss for the period		(6,606,462)	(496,717)
Loss per share – basic and diluted ($)	7	(0.08)	(0.01)
Weighted average number of common shares outstanding – basic and diluted		83,045,128	56,466,417

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

New Found Gold Corp.
Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31, 2020 $	2019 $
Cash flows from operating activities		
Loss for the period	(6,606,462)	(496,717)
Adjustments for:		
Depreciation	2,186	3,123
Net realized losses on disposal of investments	-	120,734
Net change in unrealized (losses) gains on investments	5,203,541	(52,065)
	(1,400,735)	(424,926)
Change in non-cash working capital items:		
(Increase) in amounts receivable	(39,802)	-
(Increase) decrease in prepaid expenses and deposits	(71,037)	5,130
(Increase) in sales taxes recoverable	(142,759)	(49,677)
Increase in accounts payable and accrued liabilities	120,396	176,661
Net cash used in operating activities	(1,553,937)	(292,811)
Cash flows from investing activities		
Proceeds on disposal of investments	-	280,786
Net cash generated from investing activities	-	280,786
Cash flows from financing activities		
Stock options exercised	-	64,500
Net cash generated from financing activities	-	64,500
Net (decrease) increase in cash	(1,533,937)	52,475
Cash at beginning of period	7,336,638	323,179
Cash at end of period	5,802,701	375,654

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 8)

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

New Found Gold Corp.
Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves			
	Number of shares	Amount $	Equity settled share-based payments $	Warrants $	Deficit $	Total equity $
Balance at December 31, 2018	56,351,750	2,845,700	530,601	-	(2,421,110)	955,191
Stock options exercised	430,000	100,620	(36,120)	-	-	64,500
Total comprehensive loss for the period	-	-	-	-	(496,717)	(496,718)
Balance at March 31, 2019	56,781,750	2,946,320	494,481	-	(2,917,827)	522,974
Issued pursuant to acquisition of exploration and evaluation assets	517,499	207,000	-	-	-	207,000
Share-based compensation	-	-	2,130,528	-	-	2,130,528
Shares issued in private placement	19,125,000	6,997,542	-	2,252,458	-	9,250,000
Stock options exercised	2,500,000	585,000	(210,000)	-	-	375,000
Total comprehensive loss for the period	-	-	-	-	(3,523,315)	(3,523,315)
Balance at December 31, 2019	78,924,249	10,735,862	2,415,009	2,252,458	(6,441,142)	8,962,187
Shares issued in private placement	15,000,000	16,736,110	-	-	-	16,736,110
Total comprehensive loss for the period	-	-	-	-	(6,606,462)	(6,606,462)
Balance at March 31, 2020	93,924,249	27,471,972	2,415,009	2,252,458	(13,047,604)	19,091,835

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

1. NATURE OF OPERATIONS

New Found Gold Corp. (the "Company") was incorporated on January 6, 2016, under the Business Corporations Act in the Province of Ontario. The address of the Company's registered office is Suite 1010 – 69 Yonge Street, Toronto, ON, Canada M5E 1K3.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim financial statements were approved by the Board of Directors of the Company on June 5, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standards 34 "Interim Financial Reporting".

These condensed interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part I of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these condensed interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented.

b) Basis of presentation

These condensed financial statements have been prepared on a historical cost basis except for financial instruments classified as subsequently measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Significant accounting estimates and judgments

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates may be pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

Valuation of Options Granted and Warrants Issued

The fair value of common share purchase options granted and warrants issued is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of stock-based compensation expense, share capital, and reserves.

Valuation of Investments in Restricted Securities

Investments in securities issued directly by an issuer are often restricted under securities law. The Company values such securities at fair value based on market prices, and applies a discount between 0% and 10% depending on the circumstances. The Company holds an investment in Novo Resources Corp., which is traded on the TSX Venture Exchange and is restricted until July 7, 2020. Management has judged that due to the time remaining on the restriction and nature of the restriction, size of the position, and the liquidity of the stock, to apply no discount to the investment as at March 31, 2020.

Computation of Income Taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Shares Issued to Acquire Exploration and Evaluation Assets

From time to time, the Company issues common shares in the course of acquiring exploration and evaluation assets. When shares are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the shares issued. These estimates impact the value of share capital and exploration and evaluation assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Critical accounting judgments

Impairment of Exploration and Evaluation Assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. Management has determined that there were no indicators of impairment as at March 31, 2020.

3. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at March 31, 2020 and December 31, 2019:

	Newfoundland			
	Queensway[(i)]	Other	Ontario [(ii)]	Total
Three months ended March 31, 2020	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2019 and March 31, 2020	658,700	16,500	425,516	1,100,716
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2019	2,542,344	-	837,133	3,379,477
Assays	87,216	414	211	87,841
Geophysics	549,190	-	-	549,190
Salaries & consulting	51,115	8,300	7,500	66,915
Supplies & equipment	24,609	-	-	24,609
Property taxes, mining leases and rent	12,520	-	-	12,520
Travel	17,595	-	-	17,595
Exploration cost recovery	(30,680)	-	-	(30,680)
	711,565	8,714	7,711	727,990
Cumulative exploration expense – March 31, 2020	3,253,909	8,714	844,844	4,107,467

3. EXPLORATION AND EVALUATION ASSETS (continued)

	Newfoundland			
	Queensway[(i)]	Other	Ontario [(ii)]	Total
Three months ended March 31, 2019	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2018 and March 31, 2019	276,330	107,835	293,516	677,681
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2018	1,890,601	-	831,337	2,721,938
Assays	4,305	-	-	4,350
Geophysics	162,375	-	-	162,375
Salaries & consulting	40,939	-	-	40,939
Supplies & equipment	14,092	-	-	14,092
Property taxes, mining leases and rent	12,200	-	1,548	13,748
Travel	4,056	-	-	4,056
	237,967	-	1,548	239,515
Cumulative exploration expense – March 31, 2019	2,128,568	-	832,885	2,961,453

(i) Queensway Project – Gander, Newfoundland

As at March 31, 2020, the Company owns a 100% interest in 64 mineral licenses including 3,547 claims comprising 88,675 hectares of land located in Gander, Newfoundland. The project rights were acquired by map staking mineral licenses and making staged payments in cash and common shares of the Company from 2016 through 2019 under nine separate, fully executed option agreements. The optioned lands carry various net smelter return ("NSR") royalties ranging from 0.6% to 2.0% which can be reduced to 0.5% to 1.0%, at the Company's option, with payments ranging from $250,000 to $1,000,000 to the optionors. The total cost of the NSR's that may be purchased at the Company's discretion is $5,250,000.

(ii) Ontario Projects

As at March 31, 2020, the Company owns a 100% interest in the Lucky Strike project in Kirkland Lake, Ontario comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The project rights were acquired by map staking mineral licenses and making staged payments in cash and common shares of the Company from 2016 through 2019 under a fully executed option agreement. The optioned lands carry an NSR of 1%

4. INVESTMENTS

The Company classifies its investments as subsequently measured at FVTPL. Realized gains and losses on disposal of investments and unrealized gains and losses in the fair value of investments are reflected in the statement of loss and comprehensive loss in the period in which they occur.

4. INVESTMENTS (continued)

The fair value and cost of investments as at March 31, 2020 and December 31, 2019 are as follows:

	Fair Value $	Cost $
March 31, 2020	11,647,506	17,323,030
December 31, 2019	114,937	586,920

An analysis of investments including related gains and losses for the three months ended March 31, 2020 and 2019 is as follows:

	Three months ended March 31,	
	2020 $	2019 $
Investments, beginning of period	114,937	398,102
Investments acquired in private placement	16,736,110	-
Disposition of investments	-	(280,785)
Realized (loss) on investments	-	(120,734)
Unrealized (loss) gain on investments	(5,203,541)	52,065
Investments, end of period	11,647,506	48,648

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At March 31, 2020, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Common Shares Issued in 2020

On March 6, 2020, the Company completed a private placement consisting of 15,000,000 common shares in exchange for non-cash consideration of 6,944,444 common shares of Novo Resources Corp. (TSXV: NVO) at a price of $2.41 per share for gross proceeds of $16,736,110.

Details of Common Shares Issued in 2019

During fiscal 2019, the Company issued 517,499 common shares at $0.40 per share totaling $207,000, pursuant to the acquisition of exploration and evaluation assets in accordance with the terms of certain property option agreements.

On March 7, 2019, 430,000 stock options were exercised at $0.15 per share for gross proceeds of $64,500.

On June 18, 2019, the Company completed a non-brokered private placement financing of 1,875,000 common shares at $0.40 per share for gross proceeds of $750,000.

On July 3, 2019, the Company completed a non-brokered private placement financing of 1,250,000 common shares at $0.40 per share for gross proceeds of $500,000.

On December 12, 2019, 2,500,000 stock options were exercised at $0.15 per share for gross proceeds of $375,000.

5. SHARE CAPITAL AND RESERVES (continued)

On November 29, 2019, the Company completed a non-brokered private placement financing of 16,000,000 units at $0.50 per unit for gross proceeds of $8,000,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.75 per share for three years from the issuance date.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares not exceeding 10% in the aggregate and 5% with respect to any one optionee of the Company's outstanding common shares at the time of grant. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately. The exercise price and vesting terms of each share purchase option is set by the Board of Directors at the time of grant. Share purchase options granted are subject to a four-month hold period and exercisable for a period determined by the Board of Directors which cannot exceed five years.

The continuity of share purchase options for the three months ended March 31, 2020 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2019	Granted	Exercised	Cancelled/ Expired	Outstanding March 31, 2020	Exercisable March 31, 2020
February 20, 2022	$0.15	1,930,000	-	-	-	1,930,000	1,930,000
September 30, 2023	$0.40	350,000	-	-	-	350,000	350,000
December 17, 2024	$0.50	5,605,000	-	-	-	5,605,000	5,605,000
		7,885,000	-	-	-	7,885,000	7,885,000
Weighted average exercise price $		0.41	-	-	-	0.41	0.41
Weighted average contractual remaining life (years)		4.22	-	-	-	3.97	3.97

The continuity of share purchase options for the three months ended March 31, 2019 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2018	Granted	Exercised	Cancelled/ Expired	Outstanding March 31, 2019	Exercisable March 31, 2019
February 20, 2022	$0.15	4,860,000	-	(430,000)	-	4,430,000	4,430,000
September 30, 2023	$0.40	350,000	-	-	-	350,000	350,000
		5,210,000	-	(430,000)	-	4,780,000	4,780,000
Weighted average exercise price $		0.17	-	0.15	-	0.17	0.17
Weighted average contractual remaining life (years)		3.18	-	-	-	3.01	3.01

The weighted average fair value of share purchase options exercised during the three months ended March 31, 2020 is $Nil (three months ended March 31, 2019 - $0.15).

5. SHARE CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the three months ended March 31, 2020 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2019	Issued	Exercised	Cancelled/ Expired	Outstanding March 31, 2020
November 29, 2022	$0.75	16,000,000	-	-	-	16,000,000
		16,000,000	-	-	-	16,000,000
Weighted average exercise price $		0.75	-	-	-	0.75
Weighted average contractual remaining life (years)		2.92	-	-	-	2.67

The Company did not have any warrants outstanding for the three months ended March 31, 2019.

6. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Three months ended March 31, 2020 $	2019 $
Amounts paid to Goldspot Discoveries Inc. (i) for administration, exploration and evaluation	4,500	150,000

(i) Goldspot Discoveries Inc. is a related entity having common officers and directors to the Company.

Key management personnel compensation

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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the three months ended March 31, 2020, key management personnel compensation totaled $419,070 (three months ended March 31, 2019 - $67,500) comprised of salaries and consulting of $419,070 (three months ended March 31, 2019 - $67,500) paid to the Chief Financial Officer, the Chief Operating Officer and companies controlled by the Company's Chief Executive Officer, Executive Chairman and President.

As at March 31, 2020, $250,000 is included in accounts payable and accrued liabilities for amounts owed to a company controlled by the Chief Executive Officer (December 31, 2019 - $Nil).

As at March 31, 2020, $21,667 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer (December 31, 2019 - $21,667).

As at March 31, 2020, $127,234 is included in accounts payable and accrued liabilities to a related company having directors and officers in common (December 31, 2019 - $Nil).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2020 and 2019 was performed using the following as the numerator and denominator:

	Three months ended March 31,	
	2020	2019
Loss attributable to common shareholders ($)	6,606,462	496,717
Weighted average number of common shares outstanding	83,045,128	56,466,417

Diluted loss per share did not include the effect of 7,885,000 (2019 – 4,780,000) share purchase options and 16,000,000 (2019 – Nil) common share purchase warrants as they are anti-dilutive.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Three months ended March 31,	
	2020	2019
	$	$
Non-cash investing and financing activities:		
Investments received for private placement	16,736,110	-
Cash paid for income taxes	-	-
Cash paid for interest	-	-

9. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Canada.

10. COMMITMENTS

The following table summarizes the Company's long-term commitments:

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	$	$	$	$	$
Option payments for exploration and evaluation assets	-	75,000	-	-	-

The Company is required to spend approximately $1,007,737 over the next 12 months to keep all claims owned and under option agreements in good standing.

11. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

11. FINANCIAL INSTRUMENTS (continued)

(a) Fair Values

Financial assets and liabilities measured at fair value are recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's only financial instrument measured at fair value are its investments, for which the fair value is determined using closing prices at the statement of financial position date with any unrealized gain or loss recognized in profit or loss.

The carrying values of other financial instruments, including cash, deposits and amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

		Level 1	Level 2	Level 3	Total
		$	$	$	$
Recurring measurements	Carrying amount	Fair value			
Investments, at fair value					
March 31, 2020	11,647,506	11,647,506	-	-	11,647,506
December 31, 2019	114,937	114,937	-	-	114,937

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. Sales taxes recoverable are due from the Canada Revenue Agency and the Company places its cash with financial institutions with high credit ratings, therefore in management's judgment, credit risk is low.

There have been no changes in management's methods for managing credit risk since December 31, 2019.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. As at March 31, 2020, the Company has total liabilities of $513,245, and cash of $5,802,701 which is available to discharge these liabilities (December 31, 2019 – total liabilities of $392,849 and cash of $7,336,638). Accordingly, in management's judgment, liquidity risk is low.

11. FINANCIAL INSTRUMENTS (continued)

There have been no changes in management's methods for managing liquidity risk since December 31, 2019.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts denominated in US dollars and investments denominated in Australian dollars. Fluctuations in the exchange rate between the US dollar and the Canadian dollar at March 31, 2020 would not have a material impact on the Company's net earnings and other comprehensive income. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the Australian dollar at March 31, 2020 would change the company's net loss (income) by $11,973 as a result of a 10% change in the Canadian dollar exchange rate relative to the Australian dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

(iii) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

(iv) Equity price risk

Equity price risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments in unfavorable market conditions which could result in dispositions of investments at less than favorable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability. The sensitivity of the Company's net income (loss) to changes in market prices at March 31, 2020 would change the Company's net income (loss) by $1,164,751 as a result of a 10% change in the market price of its investments.

There have been no changes in management's methods for managing market risks since December 31, 2019.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

12. CAPITAL MANAGEMENT (continued)

In assessing our capital structure, we include in our assessment the components of equity consisting of common shares, stock options and warrants, and deficit that as at March 31, 2020 totalled $19,091,835 (December 31, 2019 - $8,962,187). In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are sufficient to carry out our exploration plans and support operations through the current operating period.

The Company is not subject to any capital requirements imposed by a regulator.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2020.

13. SUBSEQUENT EVENTS

Stock Options Exercised

Subsequent to March 31, 2020, 1,915,000 stock options were exercised at a weighted average price of $0.39 per share for gross proceeds of $754,500.

Stock Options Granted

Subsequent to March 31, 2020, 2,300,000 stock options were granted at an exercise price of $1.00.

Subsequent to March 31, 2020, 1,670,000 stock options were granted at an exercise price of $1.075.

Private Placements

Subsequent to March 31, 2020, the Company completed the first tranche of a non-brokered private placement of 797,923 flow-through common shares at a price of $1.30 per common share for gross proceeds of $1,037,300. Finder's fees were $51,318 in cash and 39,475 warrants exercisable into common shares of the Company at $1.30 per share for two years from the date of issue.

Subsequent to March 31, 2020, the Company completed a non-brokered private placement of 3,994,597 flow-through common shares at a price of $1.50 per common share for gross proceeds of $5,991,896. Finder's fees were $69,394 in cash and 64,282 warrants exercisable into common shares of the Company at $1.50 per share for two years from the date of issue.

Novel Coronavirus

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business growth prospects and financial condition.

SCHEDULE D – INTERIM MD&A

Management's discussion and analysis for the three months ended March 31, 2020

(See attached)

The following discussion is management's assessment and analysis of the results and financial condition of New Found Gold Corp. (the "Company" or "NFG") and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the headings "Risks and Uncertainties" and "Cautionary Notes Regarding Forward-Looking Statements" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those expressed or implied in forward-looking statements. The effective date of this report is June 5, 2020.

The scientific and technical information contained in this MD&A has been reviewed and approved by the Company's Chief Operating Officer, Greg Matheson, P.Geo., a Qualified Person as defined by National Instrument 43-101-Standards of Disclosure for Mineral Projects ("**NI 43-101**"). The scientific and technical information in this MD&A relating to the Queensway Project is derived from, and in some instances is a direct extract from, and is based on the assumptions, qualifications and procedures set out in, the report entitled "Technical Report on the Queensway Gold Project, Newfoundland, Canada" with an effective date of April 15, 2020, prepared in accordance with NI 43-101 (the "**Queensway Technical Report**"). Reference should be made to the full text of the Queensway Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Description of Business

The Company was incorporated on January 6, 2016, under the *Business Corporations Act* (Ontario). The address of the Company's registered office is Suite 1010 – 69 Yonge Street, Toronto, ON, Canada M5E 1K3.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada. The Company's principal objective is to explore and develop the Queensway Project**,** which is located near Gander, Newfoundland and to identify other properties worthy of investment and exploration. For the purpose of NI 43-101, the Queensway Project is the Company's only material property.

The Queensway Project is comprised of 86 mineral licenses, including 6,041 claims comprising 151,030 hectares of land located near Gander, Newfoundland. The Queensway Project is accessible by main access roads including the Trans-Canada Highway ("**TCH**") that passes through the southern portion of the project and has high voltage electric transmission lines running through the project area. In addition, the Company owns a 100% interest in the Lucky Strike project in Kirkland Lake, Ontario comprising 11,441 hectares, as well as a portfolio of mining and royalty interests throughout northeastern Ontario. The Lucky Strike Property is located 10km north of Larder Lake, Ontario and is comprised of 548 single cell un-patented mining claims. The Company is well financed to advance its planned exploration activities on the projects as intended.

As of the date of this MD&A, the Company's Board of Directors consisted of the following: Collin Kettell (Executive Chairman), Craig Roberts, Denis Laviolette, and John Anderson.

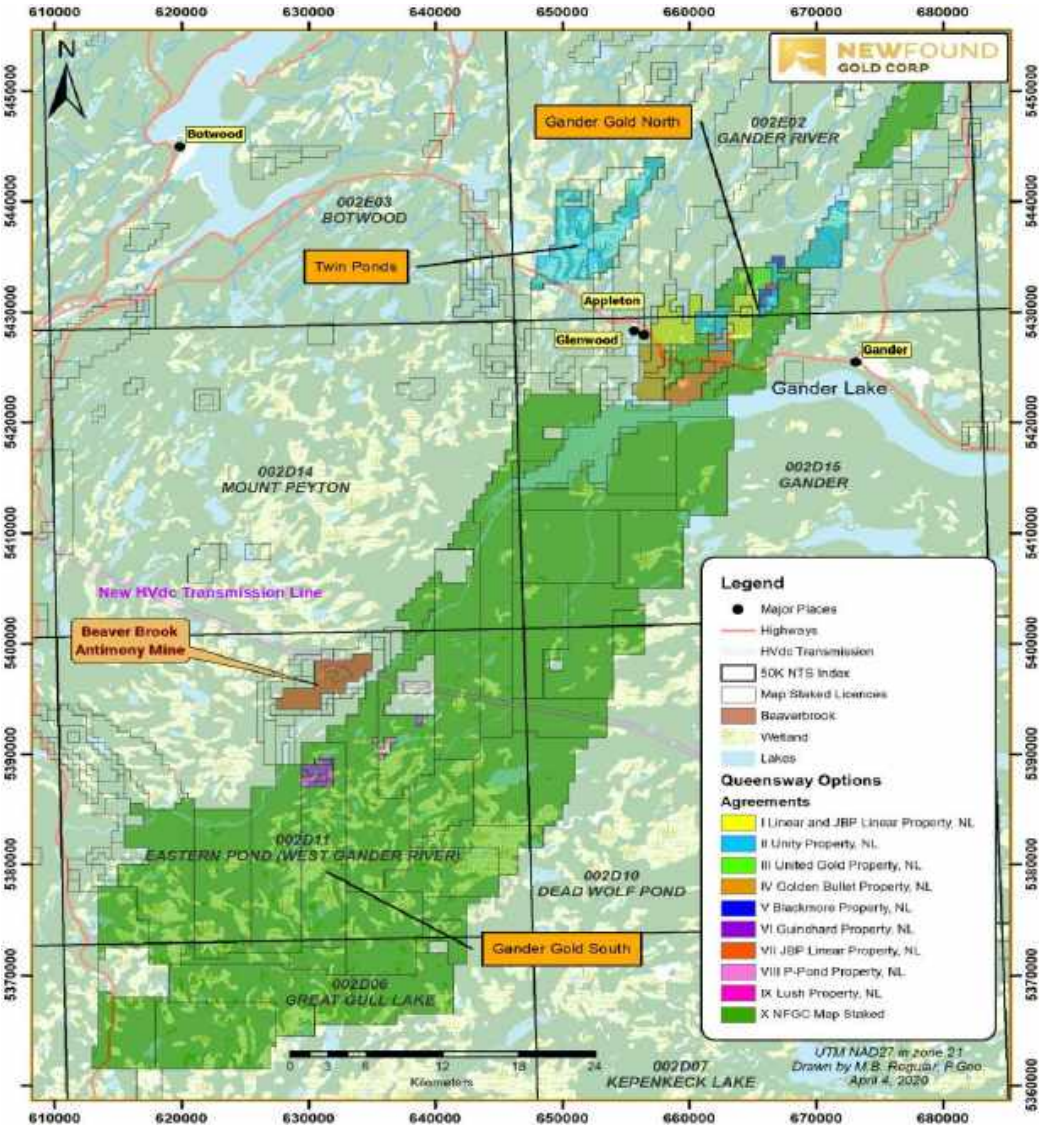
Additional information relating to the Company is available on the Company's website at www.newfoundgold.ca.

Project Summary

Queensway Project, Newfoundland

Ownership

The Queensway Project contains nine optioned claim packages along with mineral licenses map staked by NFG. The Company acquired the rights to the Queensway Project by map staking mineral licenses and making a series of staged payments in cash and common shares of the Company from 2016 through 2019 under nine separate option agreements. Eight of the option agreements have been fully exercised resulting in 100% ownership by NFG of the mineral licenses related to such option agreements and one option agreement remains active. Completion of the requirements under the one remaining option agreement would result in NFG obtaining 100% ownership of the Queensway Project. In addition to the nine option agreements, NFG also conducted map staking resulting in 49 map staked mineral licenses which are held 100% by NFG. The optioned lands also carry various net smelter royalties and the option agreements are described in detail below and their location can be seen in the figure below.



Queensway Project – Royalties Agreements and Encumbrances

1. Linear and JBP Linear Property, NL - In July 2016, the Company acquired a 100% interest in the Linear and JBP Linear Property via an option agreement with Krinor Resources, Kevin Keats and Allan Keats. The Linear and JBP Linear property is comprised of six map staked licences covering 2,150 hectares and under the terms of the agreement the Company is to pay the optionor a total of $54,000 and issue 45,000 shares over a 36-month period; the agreement was fully executed in July 2019. A net smelter royalty grant of 0.6% is payable to the optionor along with an underlying net smelter royalty of 1.0% covering five of the six claims is payable to Paragon Minerals Corporation. This agreement contains a 2 km area of influence that subjects adjacent lands to the additional 0.6% net smelter royalty.

2. Unity Property, NL - In September 2016, the Company acquired a 100% interest in the Unity Property via an option agreement with Unity Resources Inc., Gary Lewis, Donna Lewis, Nigel Lewis, Leonard Lewis, and Aubrey Budgell. The unity property is comprised of ten map staked licences covering 8,150 hectares and under the terms of the agreement the Company is to pay the optionor a total of $90,000 over a 60-month period; the remaining option payment of $75,000 is due by September 2021. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000.

3. United Gold Property, NL - In October 2016, the Company acquired a 100% interest in the United Gold Property via an option agreement with Noreen Kennedy. The United Gold property is comprised of one map staked licence covering 275 hectares and under the terms of the agreement the Company is to pay the optionor a total of $16,500 and $16,500 worth of shares are to be issued over a 6-month period; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 0.6% is payable to the optionor. This agreement contains a 2 km area of influence that subjects adjacent lands but is bounded to areas east and north of the subject lands and does not impact any other optioned property.

4. Golden Bullet Property, NL - In November 2016, the Company acquired a 100% interest in the Golden Bullet Property via an option agreement with Roland Quinlan, Eddie Quinlan and Larry Quinlan. The Golden Bullet property is comprised of four map staked licences covering 1,200 hectares and under the terms of the agreement the Company is to pay the optionor a total of $125,000 and $100,000 worth of common shares of NFG are to be issued over a 36-month period; the option was fully executed in November 2019 resulting in a 100% ownership by NFG. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000. This agreement contains a 2 km area of influence that subjects adjacent lands but is limited to lands acquired after the agreement date.

5. Blackmore Property, NL - In December 2016, the Company acquired a 100% interest in the Blackmore Property via an option agreement with Neal Blackmore. The Blackmore property is comprised of two map staked licences covering 175 hectares and under the terms of the agreement the Company is to pay the optionor a total of $10,000; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 0.6% is payable to the optionor.

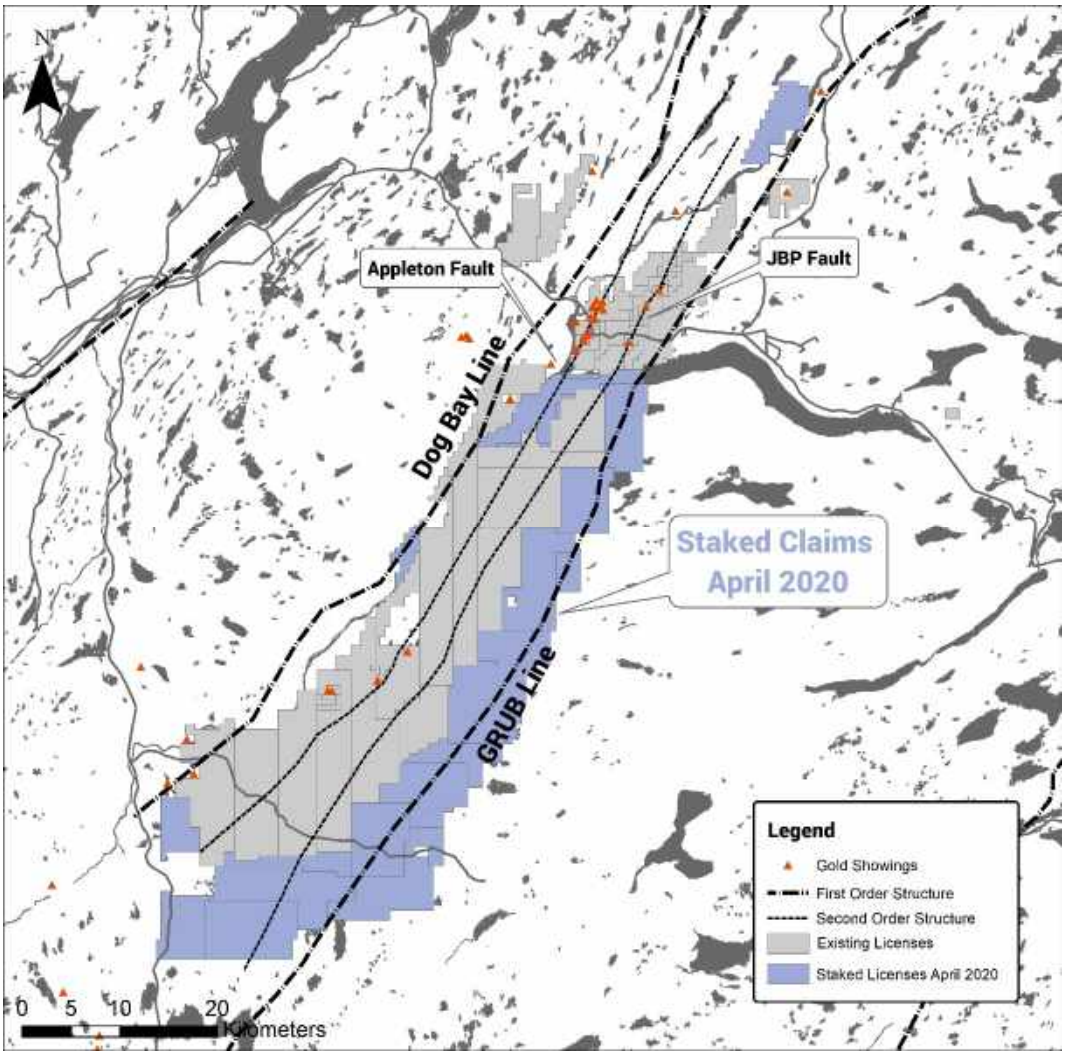
6. Guinchard Property, NL - In April 2017, the Company acquired a 100% interest in the Guinchard Property via an option agreement with Wayde Guinchard, Myrtle Guinchard and Peter Rogers. The Guinchard property is comprised of five map staked licences covering 625 hectares and under the terms of the agreement the Company is to pay the optionor a total of $45,000 and 105,000 shares over a 24-month period; the option was fully executed in April 2019 and the Company is the sole owner of the property. A net smelter royalty grant of 1.0% is payable to the optionor which can be reduced by 0.5% by paying the optionor $1,000,000.

7. JBP Linear Property, NL - In May 2017, the Company acquired a 100% interest in the JBP Linear Property via an option agreement with Roland Quinlan and Eddie Quinlan. The JBP Linear property is comprised of five map staked licences covering 1250 hectares and under the terms of the agreement the Company is to pay the optionor a total of $45,000 over a 24-month period; the option was fully executed in November 2019 and the Company is the sole owner of the property; although claim transfers are pending at the time of the report. A net smelter royalty grant of 1.6% is payable to the optionor which can be reduced by 1.0% by paying the optionor $1,000,000.

8. P-Pond Property, NL - In May 2017, the Company acquired a 100% interest in the P-Pond Property via an option agreement with Stephen Stockley, Mark Stockley and Edward Stockley. The P-Pond property is comprised of three map staked licences covering 175 hectares and under the terms of the agreement the Company is to pay the optionor a total of $30,000 and $10,000 worth of shares are to be issued over a 12-month period; this option agreement has been fully executed and the Company is the sole owner of the property. A net smelter royalty grant of 1.0% is payable to the optionor which can be reduced by 0.5% by paying the optionor $250,000.

9. Lush Property, NL - In September 2018, the Company acquired a 100% interest in the Lush Property via a purchase agreement with Paragon Minerals Corp. The Lush property is comprised of one map staked licence covering 50 hectares. Under the terms of the purchase agreement the Company is to grant a net smelter royalty of 0.5% payable to Paragon Minerals Corp along with an underlying net smelter royalty of 2.0% payable to Tom Lush which can be reduced by 1.0% by paying $1,000,000 to Tom Lush.

10. Queensway Map Staked Lands, NL - Between August 2016 and April 2017, the Company acquired a 100% interest of twenty-one licences covering 73,830 hectares through map staking. In April of 2020, an additional twenty-eight mineral licenses were staked totalling 64,175 hectares shown in the figure below:



Environmental and Exploration Permitting

All exploration activities, including reclamation, must comply with all pertinent federal and provincial laws and regulations, the fundamental requirement of which, is that exploration on crown land must prevent unnecessary or undue degradation or impact on fish and wildlife and requires reclamation if any degradation or impacts that occur. All exploration activities in Newfoundland and Labrador require an Exploration Approval from the Department of Natural Resources prior to the start of work. In this, approval requirements for the exploration are listed with contacts for the various entities given. Two Exploration Approvals are in place as of the date of this MD&A.

The first Exploration Approval is for diamond drilling (50 Holes), surface trenching (50 trenches), ground geophysics, prospecting and geochemistry on the Gander Gold North ("**GGN**") area. The second is for airborne geophysics, geochemical surveying and prospecting over the entire Queensway Project. The approvals expire one year from the date they are approved unless the exploration is completed earlier and is reported as being complete. Any changes to the planned work have to be submitted to the Department of Natural Resources and either an amended approval is given or a new application has to be made. Lands staked in April, 2020 will require new exploration approvals and are not covered by the existing exploration approvals.

Water removal from ponds / streams etc. for trenching (washing trenches) or drilling requires a Water Use Permit which is granted for 1 year. One water use permit is in place for the GGN claims and related diamond drilling and trenching. The permit is issued until August 5, 2020. This permit can be renewed, or new permit issued to cover ongoing exploration activities.

Generally, the mineral licenses are available for exploration activities year-round and only subject to the conditions of the exploration approvals and water use license; other activities such as construction, road building, camps and water crossings may require additional permits from outside of the mines department. Mineral licenses within the southernmost portion of Gander Gold South ("GGS"), specifically licenses 024557M, 024558M, 024561M, 024563M, 024568M, and 024570M are restricted from exploration activities from mid-May to early-July due to spring habitat for Newfoundland caribou.

Project Infrastructure

The main access roads include the TCH that passes through the southern portion of the Appleton Fault Zone ("**AFZ**") / Joe Batts Pond Deformation Zone ("J**BPDZ**") claim areas on the GGN, and the Northwest Gander ("NWG") road that extends along the western portion of the property from the TCH just west of Glenwood, to the south and west of Gander Lake on the GGS. Gravel woods access roads originally built for the forestry industry, such as the AFZ access, the JBPDZ access, the JBP road and the roads to the east of the steel bridge across the NWG River and across the bridge to the east of the Southwest Gander River extend through most of the property, with areas in the extreme SE and SW the most difficult to access. The SW area is best accessed by woods roads from Route 360, the Baie D'Espoir highway, that leaves the TCH at Bishop's Falls, approximately 70 km to the west of Glenwood.

Transportation availability includes the international airport at Gander which has bush plane and helicopter bases, a helicopter base in Appleton and shipping through the ports of Lewisporte and Botwood, 25 km and 70 km to the west respectively, and north of the TCH, both with good harbours although problems with winter shipping due to sea and pack ice.

Electricity is available from the NL provincial grid, which has three transmission lines through the Queensway Project as follows:

1) A 350 kV HVdc direct current line which passes through the approximate centre of the GGS licences;
2) Two 138 kV HVac transmission lines to the north of the TCH crossing the AFZ and JBPDZ trends on the GGN licences;
3) A 69 kV HVac transmission line that approximately parallels the TCH to the north across the AFZ and JBPDZ trends on the GGN licences and follows the TCH and secondary routes.

In addition, electrical power is supplied, through the provincial grid, to the towns of Glenwood and Appleton which are surrounded by the NFG Queensway licences.

Historical Work

To date there has been over 25,538 metres of core in 218 holes drilled historically on the Queensway Project by Noranda, Rubicon and various operators from the mid 1980's through to 2012. Historical core drilling has primarily occurred north of Gander Lake along the two principal fault structures the AFZ and JBPDZ; the exploration drilling has been spread out amongst individual zones with drilling along 5 km of the AFZ targeting the Lotto, Powerline, Cokes, Keats, Dome, Trench 26, Road, Knob, Letha and Grouse Zones. Drilling at the JBPDZ has focussed along 3 km targeting the Pocket Pond and H-Pond zones and one drill hole targeting the 798 zone. Significantly lesser number of drill holes have also targeted zones south of Gander Lake including the Pauls Pond showing, Aztec and A-Zone extension and the Goose zone.

Throughout the 1980's through mid-2000's various operators and prospectors have completed surface geochemical sampling including tills, soils and rock samples. This amounts to roughly 1,200 till samples, over 60,000 soil samples and 4,000 rock samples spread across the large district scale project with concentrations of work around the many showings in the Queensway license group. This work has identified a number of gold in soil or gold in till anomalies that have led to surface gold discoveries or have yet to be explained with follow up exploration. Several locations throughout the project have defined surface float samples containing high grade gold mineralization some of which have led to surface gold occurrences while other locations have not been adequately explored to trace them to source.

Various historical ground geophysical surveys have been conducted throughout the Queensway Project with most of this work concentrated either along the AFZ, JBPDZ or in the region of the Paul's Pond and Greenwood Pond showings in the GGS claim group. Over 50 different geophysical surveys including VLF, EM, MAG and IP have covered ground-based grids throughout the Queensway Project. Various anomalies have been identified and often limited follow up exploration has occurred.

A significant number of surface trenches have been conducted at the project with over 330 trenches. Many of the historical trenches have targeted soil and till anomalies with only some of these reaching bedrock; often the trenches not reaching bedrock have left both soil and till anomalies unexplained and open for further interpretation and exploration.

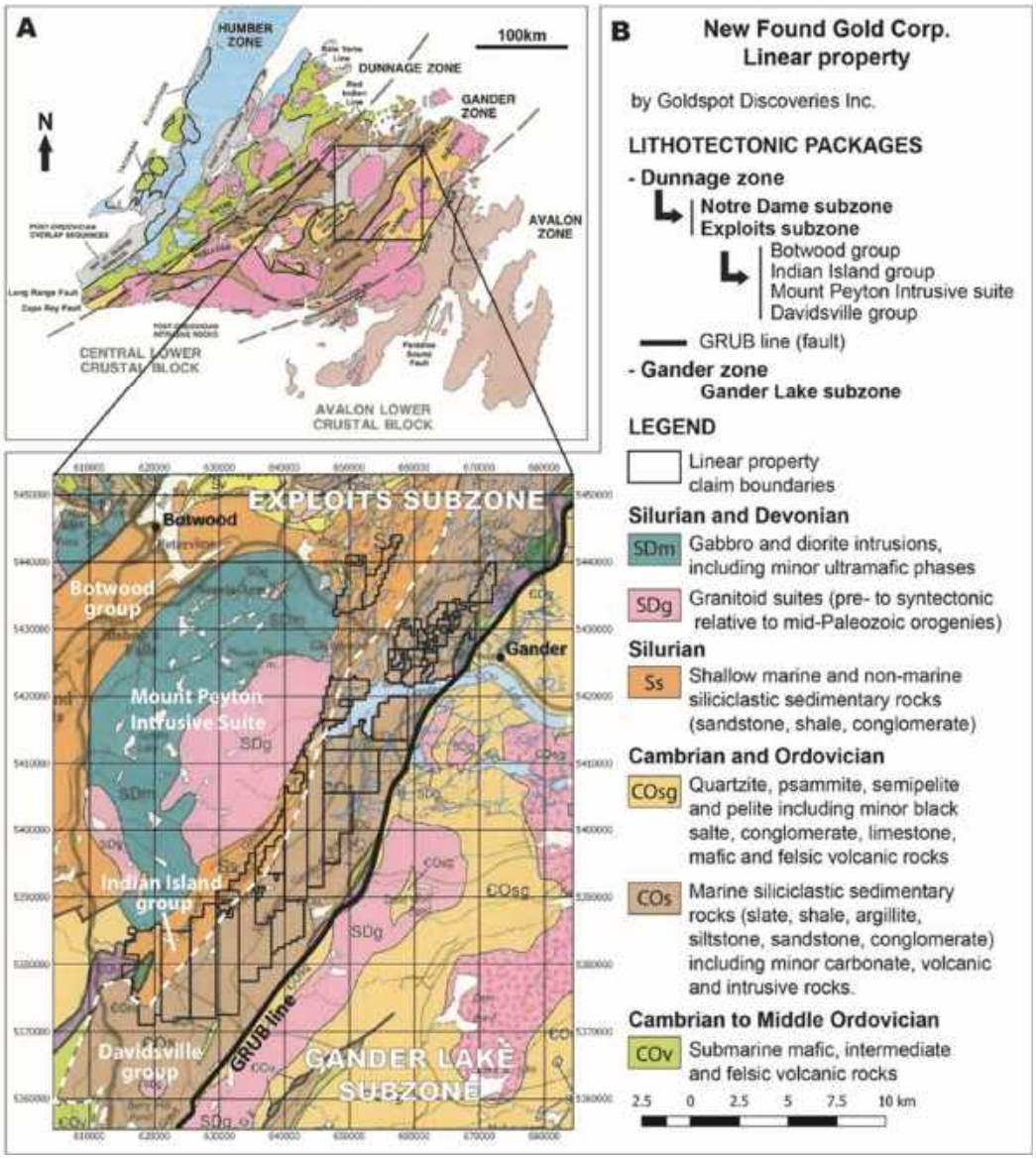
In 1994 Gander River Minerals optioned the Knob property including the Knob prospect from Noranda Exploration Co Ltd. Drilling by Gander River Minerals allowed for production of a historical resource estimate of 236,391 tonnes grading 10.26 g/t Au. This historical estimate was published by Gander River Minerals in the technical document titled "Eighth Year Assessment Report Summary of Diamond Drilling Activities Conducted Within Licence No. 4344 The 'Knob' Prospect N.T.S. 20/15" authored by Dean Sheppard, 1994 (Geofile 002D_0296).

The data used in the preparation of the historical resource estimate does not meet the current standards of exploration quality assurance and quality control protocols such that it should not be relied upon to produce a current resource estimate for the Knob prospect. Significant additional drilling and data verification would be required to ensure the quality of historic data meets current standards for use in a resource estimate. Additionally, the methods used in the preparation of the resource as a block long section methodology include certain assumptions of geological continuity and grade variography are not adequate to treat this as a current mineral resource estimate.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

Project Geology

The Queensway Project is located within the Exploits subzone of the Dunnage zone and lies just to the west of the Gander River Ultramafic Complex ("GRUC") fault, which is the Dunnage-Gander zones boundary. See figure below:



Queensway Project – Geological Overview Map

It mostly comprises Cambrian to Silurian meta-sedimentary rocks of the Davidsville group (Williams et al., 1988; Colman-Sadd et al., 1990; Valverde-Vaquero et al., 2006; van Staal, 2007; O'Reilly et al., 2010). The Davidsville group is divided into the Outflow Formation and the Hunt's Cove Formation. The property south of Gander Lake also includes the boundary between the Davidsville and Indian Island groups. The latter mainly comprises Silurian siliciclastic rocks, intruded by the Mount Peyton Intrusive suite.

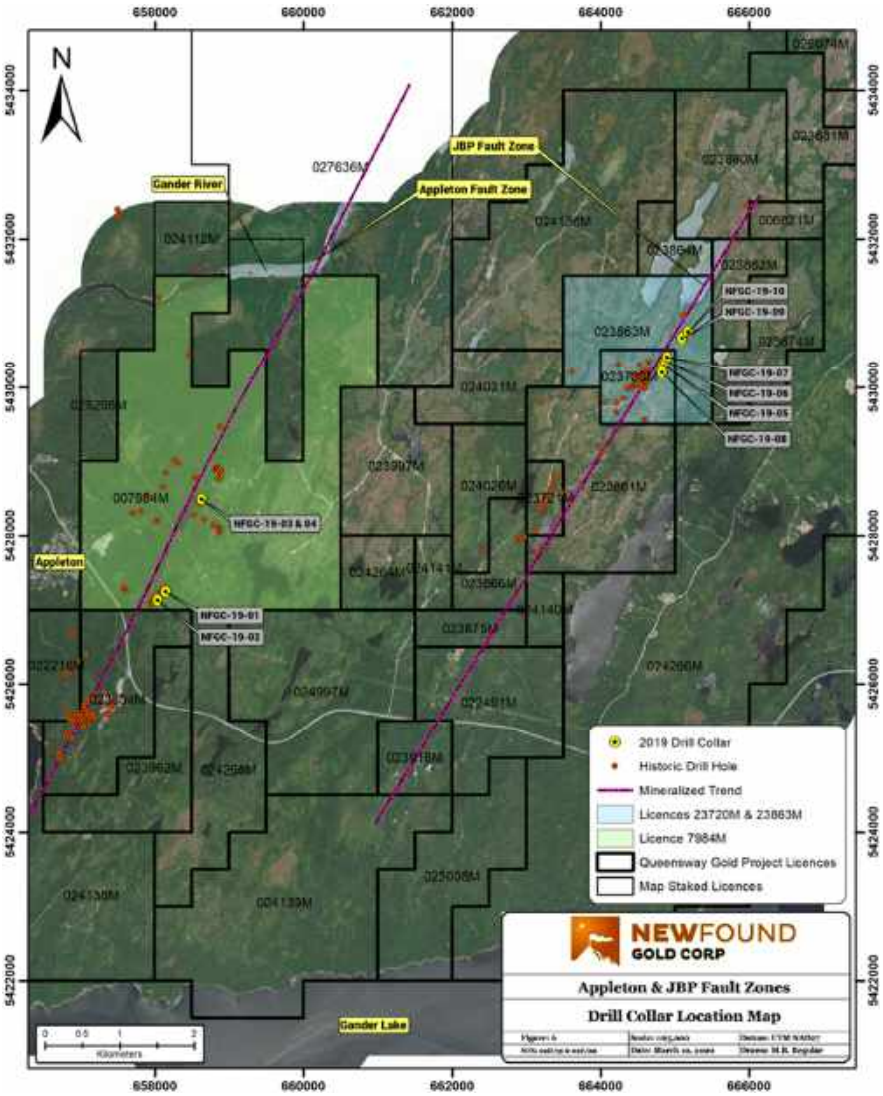
There are over 100 gold showings/occurrences on and around the Queensway Project however the most notable mineralized zones in the Queensway Project are the JBPDZ which includes the H-Pond, Pocket Pond, Glass, Logan and Lachlan showings and the AFZ which includes the Dome, Little, Knob, Letha, Lotto, Grouse, Road, Bullet, Trench 26, Cokes, Powerline, Keats and Bowater showings. A number of gold mineralized occurrences also occur within the GGS claim group including the Greenwood Pond, Hornet, North Pauls Pond, Aztec, Goose, Road Gabbro and LBNL showings.

Recent Exploration

NFG's 2019 Drill Campaign

The 2019 diamond drilling program at the AFZ comprised 586 metres of HQ diameter core in four holes completed between October 28, 2019 and November 17, 2019. Holes NFGC-19-01 and NFGC-19-02 were drilled to target the Keats Zone where historical drilling and trenching suggested gold mineralization was to occur. Holes NFGC-19-03 and NFGC-19-04 were drilled from a single setup at the Dome Showing to further evaluate known gold mineralization. The 2019 drill program was successful in identifying gold mineralization along the AFZ at both the Keats and Dome showings.

Drilling along the JBP Fault Zone in 2019 was comprised of six holes totalling 1,400m between November 17, 2019 and December 14, 2019 targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC-19-06 only tested the Glass vein system, drill hole locations are show in the figure and table below:



Queensway Project – Plan Map of 2019 Drilling Program

BHID	UTME (NAD27)	UTMN (NAD27)	ZPT	DIP	BRG	LENGTH (m)
NFGC-19-01	658148	5427245	93	-43.6	302.19	199
NFGC-19-02	658035	5427130	90	-43.5	299.69	270
NFGC-19-03	658632	5428486	85	-44.7	0.39	64
NFGC-19-04	658632	5428486	85	-63.5	0.59	52
NFGC-19-05	664842.5	5430309	85	-44.7	302.69	274
NFGC-19-06	664867	5430352.5	85	-44.1	302.19	94.5
NFGC-19-07	664891	5430400	85	-44.6	300.99	248
NFGC-19-08	664823	5430200	85	-44.2	299.39	262
NFGC-19-09	665093	5430660	85	-44.2	300.89	299.6
NFGC-19-10	665176	5430750	85	-43.7	303.99	222.2
TOTAL						**1985.3**

New Valley Company Ltd. Of Springdale, NL carried out the diamond drilling using an EF-50 skid rig equipped to drill HQ size core. Drill sites and moves were made possible with a dozer. The drill crew placed all core in labelled wooden boxes which were collected daily by New Found Gold personnel. All collars were marked with pickets and foresighted by NFG personnel using GPS receivers. All completed holes were plugged and cemented and finally marked with a metal post to identify the hole and act as a hazard warning. Downhole dip data was collected using the Reflex EZ Shot by the drill crews near the beginning and end of each hole with a 50m spacing between tests where possible. Core was also oriented using the Reflex HQ ACT-III system.

All completed diamond drill holes were plugged and cemented with the casing being left. A metal flag post was attached to the collar and labelled to identify each drill hole. Downhole hole orientation data was obtained by drill crews using the Reflex EZ-Gyro Single Shot. Where possible core was also orientated using the Reflex HQ ACT-III system.

All core was logged by NFG personnel in a core logging facility at Gander, NL. Samples were sawn in half and sent for sample preparation to ALS Minerals in either Timmins, ON or Moncton, NB with analysis being done in Vancouver, BC. Where visible gold was noted, or high values of gold suspected, samples were analysed using the pulp metallic method otherwise a standard Au + 41 element ICP method was used. The insertion of a blank or standard occurred every 10 samples switching between the blank and standard reference material using 3 different standards, OREAS 218, 224 and 255. The blank consisted of an un-mineralized red sandstone from a roadcut near Botwood, NL.

The samples with the highest potential for gold were assayed using the ALS Mineral multi analysis screen, gravimetric and ore grade analysis, methods include; Au-AA26 Ore Grade Au 50g FA AA Finish, Au-GRA22 Au 50g FA-GRAV Finish, and Au-SCR24C Au Screen FA Double minus 50g 2-3 Kg.

The 2019 diamond drilling program at the AFZ was designed to further evaluate the gold mineralization and quartz veining along the east side of the Appleton Fault Trend specifically at the Keats and the Dome Showings. The results of this drilling will be used in conjunction with historical data to plan future exploration along the Appleton trend. Drilling along the JBP Fault Zone in 2019 was comprised of six holes totalling 1,400m targeting the Glass zone and extensions of the H-Pond zone. Holes NFGC-19-05, 07, 08, 09, 10 targeted mineralization along both the Glass and H-Pond corridors while NFGC-19-06 only tested the Glass vein system.

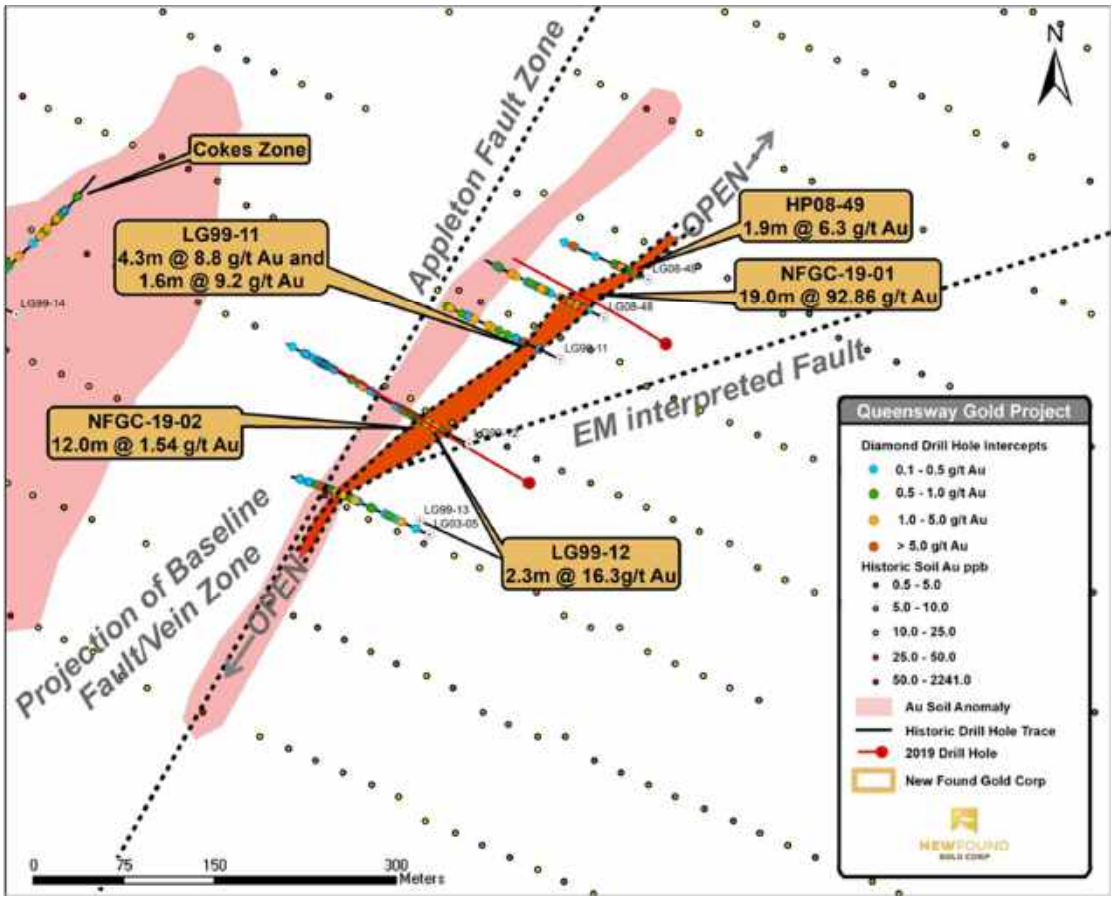
NFGC-19-01 was planned to target 50 m vertically below historic drill hole LG08-48 at the Keats Zone. A significant gold mineralized zone was intercepted from 96 to 115 m grading 92.86g/t Au over 19.0 m including 285.2 g/t Au over 6.0 m containing considerable visible gold and wall rock sulphidation consisting of pyrite and lesser arsenopyrite. Within the quartz vein material traces of arsenopyrite, chalcopyrite and boulangerite were found. The zone was hosted in dark grey shale belonging to the Davidsville group and the quartz zone is spatially associated with a number of fault structures including one gouge zone up to 60cm in width. This is believed to be a second order structure to the Appleton fault and was intersected by all of the historic diamond drilling at the Keats zone but previously undocumented.

The vein intersection is the extension of the zone encountered in drill hole LG08-48 (50m above) and believed to be the extension of surface mineralization found in historical United Carina trench #3.

The quartz vein was notably vuggy and exhibiting textures associated with boiling events in epithermal gold zones. Possibly due to a flashing event within the larger mesothermal Appleton fault zone system.

A second mineralized fault structure was intersected at 177.5m with associated gold mineralization in lesser quartz stockwork from 177.5 to 180.0m depth grading 3.38g/t Au over 2.5m. Both fault zones intersected in the hole are believed to be secondary to the regional Appleton fault zone. Drilling did not continue in order to intersect the primary fault.

NFGC-19-02 also targeted the Keats zone located 160m south of NFGC-19-01 and targeting 50m vertically below historic drill hole LG99-12. This hole also intersected the second order fault structure found in NFGC-19-01 with associated narrower quartz veinlets and wall rock sulphidation (pyrite and arsenopyrite) and visible gold in quartz. The composite grade of the zone was 1.54 g/t Au over 12.0 m with one meter grading 5.45 g/t Au and containing visible gold. Exhibiting a similar width and structural control to NFGC-19-01 the results of this hole are promising as the Keats system is showing robust width and a known length up to 300m.



Queensway Project – Plan Map of 2019 Drilling Program at the Keats Zone

NFGC-19-03 targeted the Dome showing main vein where historical drilling had previously intersected high grade gold mineralization. The main vein was intersected at a depth of 20.9 to 22.0 m with a second vein from 24.9 to 25.5 m and gave an overall composite grade of 16.52 g/t Au over 6.1m anchored by 162.5 g/t Au over 0.6 m.

NFGC-19-04 also targeted the Dome showing main vein and from the same setup but drilling at -60 degrees below NFGC-19-03; this hole intersected the main Dome vein from 28.3 to 29.7 m noting visible gold on the margin of the vein. This gave a composite average of 1.14 g/t Au over 8.0 m including one meter grading 4.61 g/t Au.

At the Dome showing visible gold mineralization appears to be primary confined to the margin of the vein. Of particular note was the apparent vuggy nature of the quartz and similarity to the veining intersected at the Keats zone suggestive that the emplacement mechanisms were similar.

NFGC-19-05, 06, 07, 08 were all drilled to target the Glass vein system which was discovered in 2017 and excavated by NFG in 2017 and again in 2018. All four holes were targeted to intersect the Glass vein system at shallow depths (<25m). The Glass vein system is believed to be a parallel vein system to the H-Pond zone approximately 100m to the west and drill holes NFGC-19-05, 07 and 08 were extended to intersect both vein systems.

The Glass vein array was noted in holes NFGC-19-05, 06 and 08 but gave poor gold results and visible mineralization was very limited.

NFGC-19-05 was successfully intersected a broad vein intercept within the H-Pond zone from 231.0 to 242.0m grading 2.35 g/t over 11.0 m including 6.73 g/t Au over 3.0 m as well as a second vein intersection from 268.0 to 269.0m grading 2.75 g/t Au over 1.0 m. This intercept has extended the known mineralized extents of the H-Pond zone by roughly 150 m along strike. The vein system was marked by significant iron-carbonate alteration zone. This is also one of the deepest intersections of the H-Pond zone to date.

NFGC-19-06, 07 and 08 failed to intersect any significant mineralization.

NFGC-19-09, 10 were both drilled along strike of the H-Pond and Glass vein systems along the JBPDZ and drilling in an area with very high gold in till results (1744 zone) and a significant number of visible gold bearing float samples which were interpreted to be derived from the JBPDZ. Both holes were successful in intersecting new vein systems as shown in figures below. The broad quartz intercept in NFGC-19-09 shows a nearly identical alteration and sulphide pattern to the intercept in NFGC-19-05 from the H-Pond zone. The intercept in NFGC-19-09 is believed to be an extension of the H-Pond by roughly 500m along strike. NFGC-19-09 intersected 4.39 g/t Au over 9.0 metres including 17.45 g/t Au over 2.0 metres from the well altered vein set thought to be the extension of the H-Pond zone. An intercept near the top of NFGC-19-10 with unknown correlation to NFGC-19-09 intersected 1.07 g/t Au over 4.0 metres and several lesser zones.

The 2019 drilling campaign was successful in identifying auriferous quartz veined zones of sufficient size, tenor and textural characteristics to warrant additional exploration. Based on the drill results to date, the Appleton Fault Trend has potential to host an Epizonal style Orogenic gold deposit with mineralization styles similar to those of the Fosterville Mine in Australia. The occurrence of vuggy veins with free gold and a blend of antimony mineral species including stibnite and boulangerite suggest a flash boiling event on a near mesothermal orogenic gold system such as seen at Fosterville.

Significant composite gold assay results are shown in the table below; the true widths of the mineralization in the below table is not known but estimated to be from 60-80% of the down hole composite width based on intersection angles and correlation to historical drilling.

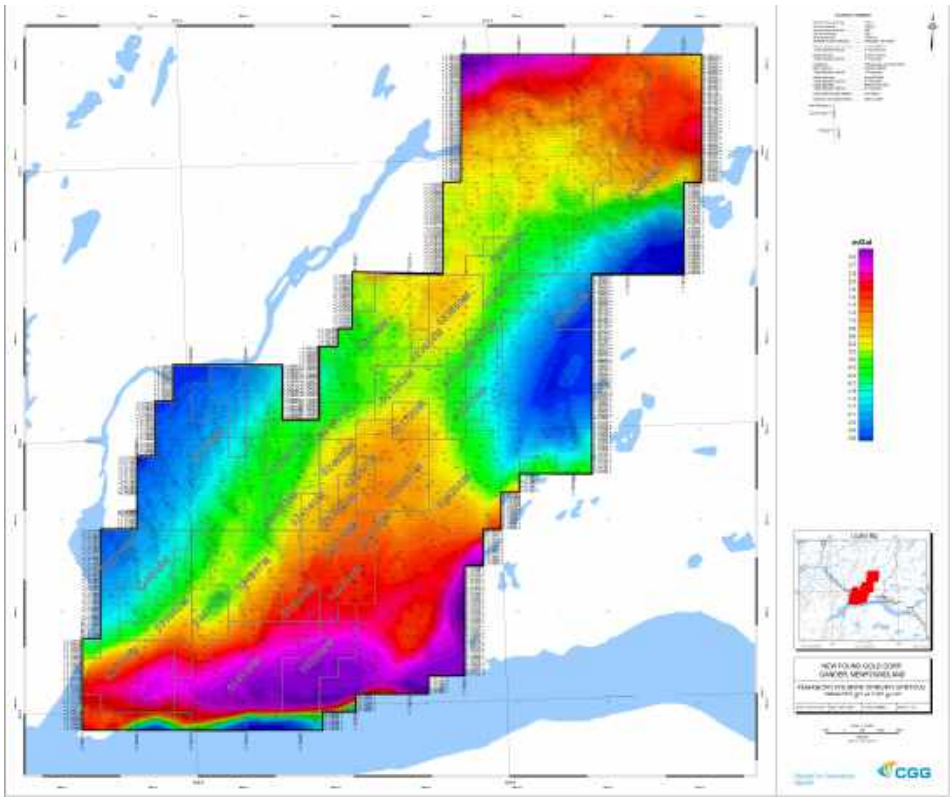
2019 Diamond Drill Hole Significant Gold Composite Intercepts

Hole ID	From	To	Length(m)	Au (g/t)	Zone
NFGC-19-01	83.0	83.7	0.7	2.46	Keats
NFGC-19-01	95.0	115.5	20.5	86.17	Keats
incl	96.0	115.0	19.0	92.86	
incl	105.0	111.0	6.0	285.20	
NFGC-19-01	117.5	118.5	1.0	1.56	Keats
NFGC-19-01	146.5	147.5	1.0	1.30	Keats
NFGC-19-01	177.5	180.0	2.5	3.38	Keats
NFGC-19-02	142.0	154.0	12.0	1.54	Keats
incl	142.0	143.0	1.0	5.45	
NFGC-19-02	253.0	254.0	1.0	1.07	Keats
NFGC-19-03	20.4	26.5	6.1	16.52	Dome
incl	20.9	21.5	0.6	162.50	
NFGC-19-04	26.0	34.0	8.0	1.14	Dome
incl	29.0	30.0	1.0	4.61	
NFGC-19-05	231.0	242.0	11.0	2.35	H-Pond
incl	231.0	234.0	3.0	6.73	
NFGC-19-05	268.0	269.0	1.0	2.75	H-Pond
NFGC-19-06	NSV				
NFGC-19-07	NSV				
NFGC-19-08	NSV				
NFGC-19-09	15.5	16.5	1.0	1.65	H-Pond
NFGC-19-09	120.0	122.0	2.0	1.13	H-Pond
NFGC-19-09	162.0	171.0	9.0	4.39	H-Pond
incl	165.0	167.0	2.0	17.45	H-Pond
NFGC-19-10	22.0	26.0	4.0	1.07	H-Pond
NFGC-19-10	66.0	68.0	2.0	1.59	H-Pond
NFGC-19-10	180.0	185.0	5.0	0.62	H-Pond

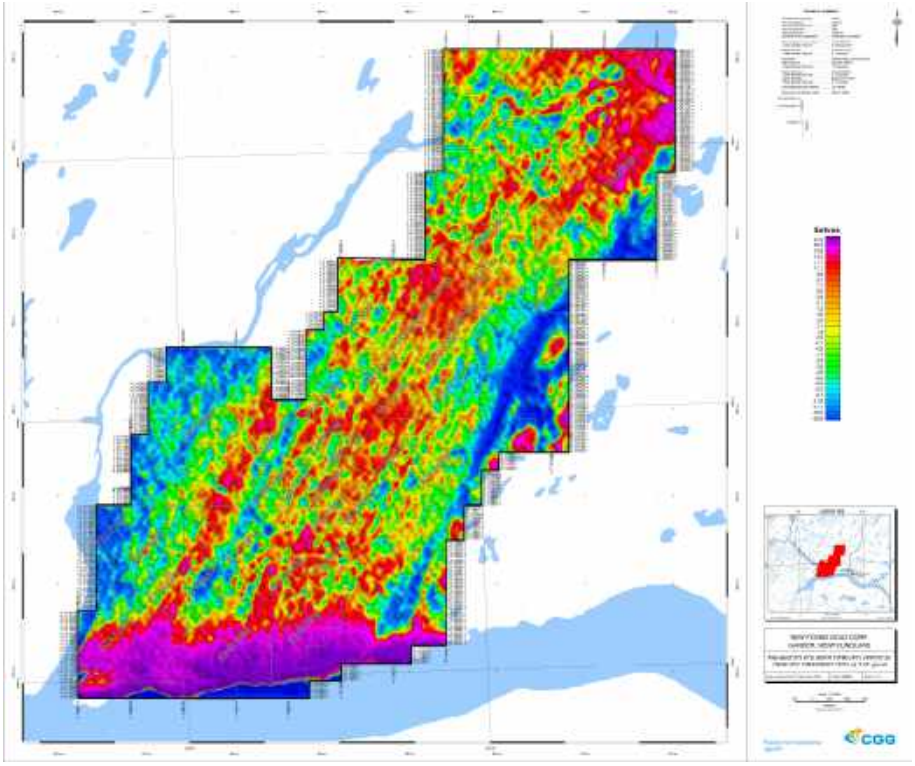
2020 Airborne Gravity Survey

In March of 2020, NFG contracted CGG Canada Services Ltd. based in Ottawa, Ontario to conduct a 1,705 km HeliFALCON Airborne Gravity Gradiometer and Aeromagnetic Survey over the licenses in the north part of the Queensway Project. This highly advanced gravity and magnetic system has been deployed by the Company to further aid in the definition of geological and structural controls of mineralization.

After post processing the final data files were received in late April 2020. This data is currently under interpretation by a contract geophysicist to better define structures, geology and potential mineral target areas.



Queensway Project – Vertical Gravity GD Plan View



Queensway Project – Vertical Gravity Gradient GDD Plan View

Lucky Strike Project, Ontario

The Lucky Strike Project is located 10 km north of Larder Lake, Ontario and covers favourable and underexplored structural corridors associated with the Larder Cadillac Deformation Zone.

The project is comprised of 639 single cell un-patented mining claims.

Land History

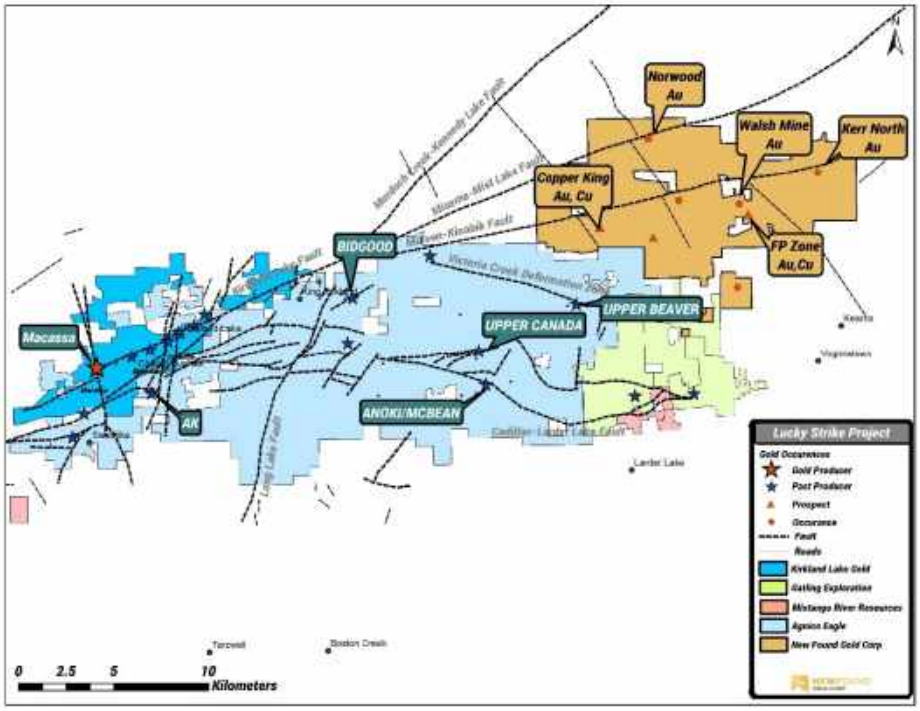
The current mineral cells comprising the Lucky Strike Project were acquired from the completion of two option agreements, one purchase agreement and online staking.

On May 27th, 2016 the Company optioned the primary Lucky Strike Project property from Ashley Gold Mines Ltd. which was further amended in May 2019 and fully executed in November 2019. Under the terms of the agreement the Company paid $115,000 and issued common shares equivalent to $80,000. The option agreement included an underlying royalty payable to Wallbridge mining covers some of the claims with most of the claims carrying no NSR.

On July 26th, 2017 the Company optioned the Vallillee extension claims west of the primary Lucky Strike land package and this option agreement was fully executed July 2018. Under the terms of the agreement the Company paid $40,000 and issued a 2% NSR in favour of the optionors.

In April 2020, the Company staked an additional 70 unpatented mining cells on the west side of the Lucky Strike Project. These lands carry no NSR.

On May 7th, 2020, the Company completed a claim purchase agreement with Big Bar Gold to purchase 21 unpatented mining claim cells adjacent to the east of the Lucky Strike Project. Under the terms of the agreement the Company paid $25,000. The claims carry no NSR



Lucky Strike Project – Project Location map, fault systems and Adjacent Projects

Environmental and Exploration Permitting

The Company was issued an exploration plan by the Ontario MNDM on July 13, 2017, to cover exploration activities including mechanized trenching and mechanized diamond drilling and this permit is set to expire in July 2020.

Project Geology

The Lucky Strike Project is covered by the Lower Blake River Group which are dominated by intermediate to mafic, massive volcanic flows. The volcanic flows have been intruded by diorite-gabbro intrusions which are up to 7 kilometres by 1.5 kilometre in size. In the Walsh-FP area a syenite-syenite porphyry intrudes the mafic-intermediate volcanics and hosts the gold-bearing quartz-ankerite veins of the Walsh Mine. The long axis of this syenite intrusion strikes approximately north-south and extends for 3.5 kilometres on the property and another 3 kilometres south of the property and is generally 0.5 kilometres wide. Two major regional faults cross the property, the Misema-Misty Lake Fault and the Mulven Fault, striking roughly in a northeast-southwest direction. These structures have been speculated as being as a continuation of the Kirkland Main Break Fault system which hosted the seven historic gold mines of the Kirkland Lake Gold camp. The Victoria Creek Deformation Zone, possibly a splay off the Misema-Misty Lake Fault and a control on the Victoria Creek and Upper Beaver Mines, lies just south of the property with splay structures extending onto the property.

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at March 31, 2020 and December 31, 2019:

	Newfoundland			
	Queensway	Other	Ontario	Total
Three months ended March 31, 2020	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2019 and March 31, 2020	658,700	16,500	425,516	1,100,716
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2019	2,542,344	-	837,133	3,379,477
Assays	87,216	414	211	87,841
Geophysics	549,190	-	-	549,190
Salaries & consulting	51,115	8,300	7,500	66,915
Supplies & equipment	24,609	-	-	24,609
Property taxes, mining leases and rent	12,520	-	-	12,520
Travel	17,595	-	-	17,595
Exploration cost recovery	(30,680)	-	-	(30,680)
	711,565	8,714	7,711	727,990
Cumulative exploration expense – March 31, 2020	3,253,909	8,714	844,844	4,107,467

	Newfoundland			
	Queensway	Other	Ontario	Total
Three months ended March 31, 2019	$	$	$	$
Exploration and evaluation assets				
Balance as at December 31, 2018 and March 31, 2019	276,330	107,835	293,516	677,681
Exploration and evaluation expenditures				
Cumulative exploration expense - December 31, 2018	1,890,601	-	831,337	2,721,938
Assays	4,305	-	-	4,350
Geophysics	162,375	-	-	162,375
Salaries & consulting	40,939	-	-	40,939
Supplies & equipment	14,092	-	-	14,092
Property taxes, mining leases and rent	12,200	-	1,548	13,748
Travel	4,056	-	-	4,056
	237,967	-	1,548	239,515
Cumulative exploration expense – March 31, 2019	2,128,568	-	832,885	2,961,453

Overall Performance and Results of Operations

Total assets increased to $19,605,080 at March 31, 2020, from $9,355,036 at December 31, 2019, primarily as a result of a private placement financing completed in March 2020 for gross proceeds of $16,736,110. The most significant assets at March 31. 2020, were cash of $5,802,701 (December 31, 2019: $7,336,638), investments of $11,647,506 (December 31, 2019: $114,937), prepaid expenses and deposits of $507,473 (December 31, 2019: $436,436), sales taxes recoverable of $433,834 (December 31, 2019: $291,075) and exploration and evaluation assets of $1,100,716 (December 31, 2019: $1,100,716). Cash decreased by $1,533,937 during the three months ended March 31, 2020 as a result of cash used in operating activities of $1,533,937.

Three months ended March 31, 2020 and 2019

During the three months ended March 31, 2020, loss from operating activities increased by $975,745 to $1,403,793 compared to $428,048 for the three months ended March 31, 2019. The increase in loss from operating activities is largely due to:

- An increase of $275,882 in salaries and consulting fees. Salaries and consulting fees were $440,382 for the three months ended March 31, 2020, compared to $164,500 for the three months ended March 31, 2019. The increase is due to increased executive management levels and related compensation paid to key management personnel during the three months ended March 31, 2020.

- An increase of $177,695 in professional fees. Professional fees were $177,695 for the three months ended March 31, 2020 compared to $Nil for the three months ended March 31, 2019. The increase is due to legal fees incurred in during the three months ended March 31, 2020 in connection with a proposed transaction to have all of the issued and outstanding shares of the Company acquired by Mexican Gold Corp. This transaction was terminated by mutual agreement.

- An increase of $488,475 in exploration and evaluation expenditures. Exploration and evaluation expenditures were $727,990 for the three months ended March 31, 2020 compared to $239,515 for the three months ended March 31, 2019. The Company completed a 1,705 km airborne gravity survey at its Queensway Project during the three months ended March 31, 2020 compared to machine learning analysis of geophysical data at its Queensway Project during the three months ended March 31, 2019.

Other items

During the three months ended March 31, 2020, other expenses increased by $5,134,000 to $5,202,669 compared to $68,669 for the three months ended March 31, 2019. The increase in other expenses is largely due to:

- An increase of $5,255,606 in net change in unrealized loss on investments. Net change in unrealized loss on investments was $5,203,541 for the three months ended March 31, 2020 compared to $52,065 in unrealized gain on investments for the three months ended March 31, 2019. The increase is due to changes in the fair values of equity investments held at March 31, 2020.

The Company recorded loss and comprehensive loss of $6,606,462 or 0.08 basic and diluted loss per share for the three months ended March 31, 2020 (March 31, 2019: $496,717 or 0.01 basic and diluted loss per share).

Summary of Quarterly Results

	2020	2019				2018		
	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $
Revenues	-	-	-	-	-	-	-	-
(Loss) income and comprehensive (loss) income for the period	(6,606,462)(1)	(3,082,583)(2)	(85,022)(3)	(355,709)(4)	(496,717)(5)	(1,202,531)(6)	(1,021,224)(7)	1,010,472
(Loss) earnings per Common Share Basic and Diluted	(0.08)	(0.05)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	0.02

(1) Increase from prior quarter primarily driven by increases in professional fees of $104,545, exploration and evaluation expenditures of $350,891 and net change in unrealized losses on investments of $5,279,853, partially offset by a decrease in share-based compensation of $2,130,528.
(2) Increase from prior quarter primarily driven by increases in salaries and consulting fees of $407,399, share-based compensation of $2,130,528, professional fees of $71,652, exploration and evaluation expenditures of $390,984 and impairment of exploration and evaluation assets of $46,335 partially offset by an increase in net change in unrealized gain on investments of $74,854.
(3) Decrease from prior quarter primarily driven by decrease in salaries and consulting fees of $142,500, exploration and evaluation expenditures of $68,678 and impairment of exploration and evaluation assets of $45,000.
(4) Decrease from prior quarter primarily driven by a decrease in exploration and evaluation expenditures of $184,723.
(5) Decrease from prior quarter primarily driven by decreases in share-based compensation of $122,361, exploration and evaluation expenditures of $351,942 and impairment of exploration and evaluation assets of $71,755. The Company realized net losses on disposal of investments of $120,734 and net change in unrealized losses on investments of $217,287.
(6) Increase from prior quarter primarily driven by increase in share based compensation of $122,361.
(7) Decrease from prior quarter primarily driven by increases in exploration and evaluation expenditures of $326,694 and net realized losses on disposal of investments of $423,412, partially offset by a decrease in gain on sale of exploration and evaluation assets of $2,195,840 and net change in unrealized gains on investments of $927,709.

Liquidity and Capital Resources

As at March 31, 2020, the Company had cash of $5,802,701 to settle current liabilities of $513,245.

The Company does not currently have a recurring source of revenue and has historically incurred negative cash flows from operating activities. As at March 31, 2020, the Company had working capital of $17,964,156 consisting primarily of cash, investments, prepaid expenses and deposits and sales taxes recoverable. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources.

The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The sources of funds currently available to the Company for its acquisition and exploration projects are solely due from equity financing.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

May 2020 Financings – Net Proceeds of $5,097,492

In May 2020, the Company completed the first tranche of a non-brokered private placement of 797,923 flow-through common shares at a price of $1.30 per common share for gross proceeds of $1,037,300. Finders' fees were $51,318 in cash and the issuance of 39,475 warrants exercisable into common shares of the Company at $1.30 per share for two years from the date of issue.

In May 2020, the Company completed the first tranche of a non-brokered private placement of 2,766,844 flow-through common shares at a price of $1.50 per common share for gross proceeds of $4,150,266. Finders' fees were $38,756 in cash and the issuance of 36,052 warrants exercisable into common shares of the Company at $1.50 per share for two years from the date of issue.

The Company intends to use the proceeds from these financings towards continued exploration work at its Queensway Project.

Uses of Funds:	**Intended Use of Proceeds (Estimated) $**	**Actual Use of Proceeds $**	**Over/(Under)-Expenditure at March 31, 2020 $**
Queensway Project work program	5,187,566	-	(5,187,566)
Total Uses	5,187,566	-	(5,187,566)

Prior Financings

November 2019 Financing – Net Proceeds of $8,000,000

In November 2019, the Company completed a non-brokered private placement of 16,000,000 units at a price of $0.50 per unit for total proceeds of $8,000,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.75 per share for three years from the issuance date. The Company intends to use these proceeds towards continued exploration work at its Queensway Project, general and administrative expenditures and working capital purposes to fund ongoing operations.

Uses of Funds:	**Intended Use of Proceeds (Estimated) $**	**Actual Use of Proceeds $**	**Over/(Under)-Expenditure at March 31, 2020 $**
Queensway Project work program	3,000,000	1,195,915	(1,804,085)
General and administrative expenses	2,000,000	1,272,649	(727,351)
Working capital to fund ongoing operations	3,000,000	212,703	(2,787,297)
Total Uses	8,000,000	2,681,267	(5,318,733)

The Company used $638,385 of the proceeds towards the Company's diamond drill program which commenced in November 2019 and comprised 10 holes totalling 1,986 meters drilled and $537,500 was used towards the Company's airborne gravity survey at its Queensway Project. The Company used $1,272,649 of the proceeds for general and administrative expenditures related to consulting and executive management compensation of $795,219, and professional fees, filing fees, travel and office and sundry of $477,430.

July 2019 Financing – Net Proceeds of $500,000

In July 2019, the Company completed a non-brokered private placement of 1,250,000 common shares at a price of $0.40 per share for gross proceeds of $500,000.

Uses of Funds:	**Intended Use of Proceeds (Estimated) $**	**Actual Use of Proceeds $**	**Over/(Under)-Expenditure at March 31, 2020 $**
Working capital to fund ongoing operations	500,000	500,000	-
Total Uses	500,000	500,000	-

The Company used these proceeds for working capital purposes to fund ongoing operations.

June 2019 Financing – Net Proceeds of $750,000

In June 2019, the Company completed a non-brokered private placement of 1,875,000 common shares at a price of $0.40 per share for gross proceeds of $750,000.

Uses of Funds:	**Intended Use of Proceeds (Estimated) $**	**Actual Use of Proceeds $**	**Over/(Under)-Expenditure at March 31, 2020 $**
Working capital to fund ongoing operations	750,000	750,000	-
Total Uses	750,000	750,000	-

The Company used these proceeds for working capital purposes to fund ongoing operations.

Outstanding Share Data

On March 6, 2020, the Company completed a private placement consisting of 15,000,000 common shares in exchange for non-cash consideration of 6,944,444 common shares of Novo Resources Corp. (TSXV: NVO) at a price of $2.41 per share for gross proceeds of $16,736,110.

Subsequent to March 31, 2020, 1,915,000 stock options were exercised at a weighted average price of $0.39 per share for gross proceeds of $754,500.

Subsequent to March 31, 2020, 2,300,000 stock options were granted at an exercise price of $1.00.

Subsequent to March 31, 2020, 1,670,000 stock options were granted at an exercise price of $1.075.

Subsequent to March 31, 2020, the Company completed the first tranche of a non-brokered private placement of 797,923 flow-through common shares at a price of $1.30 per common share for gross proceeds of $1,037,300. Finder's fees were $51,318 in cash and 39,475 warrants exercisable into common shares of the Company at $1.30 per share for two years from the date of issue.

Subsequent to March 31, 2020, the Company completed a non-brokered private placement of 3,994,597 flow-through common shares at a price of $1.50 per common share for gross proceeds of $5,991,896. Finder's fees were $69,394 in cash and 64,282 warrants exercisable into common shares of the Company at $1.50 per share for two years from the date of issue.

As at March 31, 2020, there were 93,924,249 common shares issued and outstanding.

As at the date of this report, there were 100,631,769 common shares issued and outstanding

As at March 31, 2020 there were 7,885,000 stock options and 16,000,000 warrants outstanding.

As at the date of this report, there were 9,940,000 stock options and 16,103,757 warrants outstanding.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Three months ended March 31,	
	2020	2019
	$	$
Amounts paid to Goldspot Discoveries Inc. (i) for administration, exploration and evaluation	4,500	150,000

(i) Goldspot Discoveries Inc. is a related entity having common officers and directors to the Company.

Key Management Personnel Compensation

During the three months ended March 31, 2020, key management personnel compensation totaled $419,070 (three months ended March 31, 2019 - $67,500) comprised of salaries and consulting of $419,070 (three months ended March 31, 2019 - $67,500) paid to the Chief Financial Officer, the Chief Operating Officer and companies controlled by the Company's Chief Executive Officer, Executive Chairman and President.

As at March 31, 2020, $250,000 is included in accounts payable and accrued liabilities for amounts owed to a company controlled by the Chief Executive Officer (December 31, 2019 - $Nil).

As at March 31, 2020, $21,667 is included in accounts payable and accrued liabilities for amounts owed to the Chief Operating Officer (December 31, 2019 - $21,667).

As at March 31, 2020, $127,234 is included in accounts payable and accrued liabilities to a related company having directors and officers in common (December 31, 2019 - $Nil).

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating gold properties. It is exposed to a number of risks and uncertainties that are common to other gold mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give any assurance that any mineral resources will be identified. If the Company fails to identify any mineral resources on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on any of its properties, its financial condition and results of operations will be materially adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the Queensway Technical Report is based, in part, upon, historical data compiled by previous parties involved with the Queensway Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters.

Although Canada has a favorable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by purchasers. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Uninsured and Underinsured Risks

The Company faces and will face various risks associated with mining exploration and the management and administration thereof Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

Public Health Crises such as the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of the Queensway Project and the Company's other mineral projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of the Queensway Project and other mineral projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's financial position and results of operations.

COVID-19 and efforts to contain it may have broad impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital could be adversely impacted.

In addition, the current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Company's suppliers, contractors and service providers.

Environmental Risks

The Company's activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Provinces of Newfoundland and Ontario.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGO**s") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a social responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Conflicts of Interest

Most of the Company's directors and officers do not devote their full time to the affairs of the Company. All of the directors and some of the officers of the Company are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the OBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Gold and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of our revenue will be derived from the sale of gold. Therefore, the Company's future profitability will depend upon the world market prices of the gold for which it is exploring. The price of gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes.

Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on gold prices.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this MD&A, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Information Systems and Cyber Security

The Company's operations depend on information technology ("**IT**") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Critical Accounting Policies and Estimates

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

Valuation of Options Granted and Warrants Issued

The fair value of common share purchase options granted and warrants issued is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of stock-based compensation expense, share capital, and reserves.

Valuation of Investments in Restricted Securities

Investments in securities issued directly by an issuer are often restricted under securities law. The Company values such securities at fair value based on market prices, and applies a discount between 0% and 10% depending on the circumstances. The Company holds an investment in Novo Resources Corp., which is traded on the TSX Venture Exchange and is restricted until July 7, 2020. Management has judged that due to the time remaining on the restriction and nature of the restriction, size of the position, and the liquidity of the stock, to apply no discount to the investment as at March 31, 2020

Computation of Income Taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used.

The Company is subject to assessments by taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Shares Issued to Acquire Exploration and Evaluation Assets

From time to time, the Company issues common shares in the course of acquiring exploration and evaluation assets. When shares are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the shares issued. These estimates impact the value of share capital and exploration and evaluation assets.

(ii) Critical accounting judgments

Impairment of Exploration and Evaluation Assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Management has determined that there were no indicators of impairment as at March 31, 2020 in exploration and evaluation assets.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. Sales taxes recoverable are due from the Canada Revenue Agency and the Company places its cash with financial institutions with high credit ratings, therefore in management's judgment, credit risk is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. As at March 31, 2020, the Company has total liabilities of $513,245, and cash of $5,802,701 which is available to discharge these liabilities (December 31, 2019: total liabilities of $392,849 and cash of $7,336,638). Accordingly, in management's judgment, liquidity risk is low.

There have been no changes in management's methods for managing liquidity risk since December 31, 2019.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Currency Risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts denominated in US dollars and investments denominated in Australian dollars. Fluctuations in the exchange rate between the US dollar and the Canadian dollar at March 31, 2020 would not have a material impact on the Company's net earnings and other comprehensive income. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the Australian dollar at March 31, 2020 would change the Company's net loss (income) by $11,973 as a result of a 10% change in the Canadian dollar exchange rate relative to the Australian dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

Commodity Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Equity Price Risk

Equity price risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments in unfavorable market conditions which could result in dispositions of investments at less than favorable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability. The sensitivity of the Company's net income (loss) to changes in market prices at March 31, 2020 would change the Company's net income (loss) by $1,164,751 as a result of a 10% change in the market price of its investments.

There have been no changes in management's methods for managing market risks since December 31, 2019.

Capital management

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity consisting of common shares, stock options and warrants, and deficit that as at March 31, 2020 totalled $19,091,835 (December 31, 2019 - $8,962,187). In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors.

To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are sufficient to carry out our exploration plans and support operations through the current operating period.

The Company is not subject to any capital requirements imposed by a regulator.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2020.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A contains forward looking statements which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to; the Queensway Project and the Company's planned and future exploration on the Queensway Project and its other mineral properties; the Company's goals regarding exploration and potential development of its projects; the Company's future business plans; expectations regarding the ability to raise further capital; the market price of gold; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its mineral properties; government regulation of mineral exploration and development operations in the Provinces of Newfoundland and Labrador and Ontario; the Company's compensation policy and practices; the Company's expected reliance on key management personnel, advisors and consultants; effects of the novel COVID-19 outbreak as a global pandemic.

Forward-looking statements are not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, assumptions about: the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company's mineral properties; future prices of gold and other metal prices; the timing and results of exploration and drilling programs; the demand for, and price of gold; that general business and economic conditions will not change in a material adverse manner; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the geology of the Queensway Project as described in the Queensway Technical Report; the accuracy of budgeted exploration and development costs and expenditures; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; the Company's ability to attract and retain skilled personnel; political and regulatory stability; the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; expectations regarding the level of disruption to exploration at the Queensway Project as a result of COVID 19; availability of equipment.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation: the Company may fail to find a commercially viable deposit at any of its mineral properties; there are no resources or mineral reserves on any of the properties in which the Company has an interest; the Company's plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold; the Company may not be able to identify, negotiate

or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; public health crises such as the COVID-19 pandemic may adversely impact the Company's business; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon the world market prices of gold; there is no existing public market for the Company's securities and an active and liquid one may never develop, which could impact the liquidity of the Company's securities; dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change; other factors discussed under "*Risk and Uncertainties*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

On January 26, 2020, the Company entered into a binding letter agreement with Mexican Gold Corp. ("Mexican Gold") to have all of the issued and outstanding shares of the Company acquired by Mexican Gold. On February 19, 2020, the Company announced that the binding letter agreement was mutually terminated.

There are no proposed transactions at the date of this report.

Additional Information

Additional information relating to the Company is available on its website at www.newfoundgold.ca.

SCHEDULE E – AUDIT COMMITTEE CHARTER

(See attached)

Charter of the Audit Committee of New Found Gold Corp.

1. ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is appointed by and reports to the Board of Directors (the "**Board**") of New Found Gold Corp. (the "**Corporation**"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the *Business Corporations Act* (British Columbia) (the "**Act**"), and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.

- At least two members of the Committee shall be "independent" and each Committee member shall be financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes). Each member of the Committee shall be able to read and understand the Corporation's financial statements, including the Corporation's statement of financial position, income statement and cash flow statement and any other applicable statements or notes to the financial statements.

- Members of the Committee shall be appointed at a meeting of the Board, typically held following the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.

- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.

- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).

- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

- The Chair of the Committee presiding at any meeting shall not have a casting vote.

- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.

3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the auditor that is appointed by the shareholders (the "**Independent Auditor**") or any member of the Committee in accordance with the Act.

- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee, when possible at least 48 hours prior to the time fixed for such meeting.

- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains on the Committee.

- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.

- The CEO and CFO are expected to be available to attend meetings when requested, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.

- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons,

including the Independent Auditor, as it may see fit, from time to time, to attend at meetings of the Committee.

- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

- Minutes of Committee meetings shall be sent to all Committee members.

- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.

- The Committee shall have the authority to engage and obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.

- The Committee shall have the authority to communicate directly with the Independent Auditor.

5. RESPONSIBILITIES

A. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;

- chair meetings of the Committee, unless not present (including in camera sessions), and report to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;

- ensure that the Committee meets on a regular basis and at least four times per year;

- in consultation with the Committee members, establish a calendar for holding meetings of the Committee;

- ensure that Committee materials are available to any director on request;

- report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;

- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditor as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in Section 225 of the Act and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

<u>Financial Accounting and Reporting Process and Internal Controls</u>

- review the annual audited financial statements and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditor as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- assess the integrity of internal controls and financial reporting procedures and ensure implementation of appropriate controls and procedures.
- review the financial statements, management's discussion and analysis relating to annual and interim financial statements, and press releases and any other public disclosure documents containing financial disclosure before the Corporation publicly discloses this information.

- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.

- meet no less frequently than annually with the Independent Auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee deems appropriate.

- inquire of management and the Independent Auditor about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

- review the post-audit or management letter containing the recommendations of the Independent Auditor and management's response and subsequent follow-up to any identified weaknesses.

- oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.

- in consultation with the Corporate Governance and Nominating Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.

- establish procedures for:

    - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

    - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

- provide oversight to related party transactions entered into by the Corporation.

<u>Independent Auditor</u>

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditor;

- be directly responsible for oversight of the Independent Auditor and the Independent Auditor shall report directly to the Committee.

- with reference to the procedures outlined separately in "Procedures for Approval of Non-Audit Services" (attached hereto as Appendix `A'), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditor.

- review the Independent Auditor's audit plan, including scope, procedures, timing and staffing of the audit.

- review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.

- review fees paid by the Corporation to the Independent Auditor and other professionals in respect of audit and non-audit services on an annual basis.

Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;

- institute and oversee special investigations, as needed; and

- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

Appendix A

Policy for Approval of Non Audit Services

1. In the event that New Found Gold Corp. (the "Corporation") or a subsidiary of the Corporation wishes to retain the services of the Corporation's Independent Auditor for services other than the annual audit (e.g. tax compliance, tax advice or tax planning, to meet the requirements of a regulatory filing or due diligence, to receive advice on various matters, etc.), the Chief Financial Officer of the Corporation shall consult with the Audit Committee of the Board of Directors (the "**Committee**"), who shall have the authority to approve or disapprove such non-audit services. The Chair of the Committee has the authority to approve or disapprove such non-audit services on behalf of the Committee, and shall advise Committee of such pre-approvals no later than the time of the next meeting of the Committee following such pre-approval having been given.

2. The Committee, or the Chair of the Committee, as appropriate, shall confer with the Independent Auditor regarding the nature of the services to be provided and shall not approve any services that would be considered to impair the independence of the Independent Auditor. For greater clarity, the following is a non-exhaustive list of the categories of non-audit services that would be considered to impair the independence of the Independent Auditor:

   (a) bookkeeping or other services related to or requiring management decisions in connection with the Corporation's accounting records or financial statements;

   (b) financial information systems design and implementation;

   (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;

   (d) actuarial services;

   (e) internal audit outsourcing services;

   (f) management functions;

   (g) human resources;

   (h) broker or dealer, investment adviser or investment banking services;

   (i) legal services;

   (j) expert services unrelated to the audit; and

   (k) any other service that the Canadian Public Accountability Board or any other applicable regulatory authority determines is impermissible.

3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee any services pre-approved since the last report, at each meeting and no less frequently than on a quarterly basis.

4. In accordance with the requirements set forth under the “Exemption for minimal non-audit services” provided by Section 2.3(4) of National Instrument 52-110 — *Audit Committees*, whereby the Independent Auditor has commenced a service and:

   (a) the Corporation or the subsidiary entity of the Corporation, as the case may be, and the Independent Auditor did not recognize the services as non-audit services at the time of the engagement;

   (b) once recognized as non-audit services, the services are promptly brought to the attention of the Committee and approved by the Committee prior to the completion of the audit; and

   (c) the aggregate fees for the non-audit services not previously approved are immaterial in comparison to the aggregate fees paid by the Corporation to the Corporation’s Independent Auditor during the financial year in which the services are provided,

   such services shall be exempted from the requirements for pre-approval of non-audit services set out in this Policy.

SCHEDULE F - COMPENSATION COMMITTEE CHARTER

(See attached)

Charter of the Compensation Committee of the Board of Directors of New Found Gold Corp.

1. ROLE AND OBJECTIVE

The Compensation Committee (the "**Committee**") is appointed by and reports to the board of directors (the "**Board**") of New Found Gold Corp. (the "**Company**"). The Committee shall assist the Board in discharging the Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management personnel, and in particular the Chief Executive Officer (the "**CEO**"), with the skills and expertise needed to enable the Company to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Company's shares are listed, the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall consist of three or more directors, at least two of whom shall qualify as "independent" (as such term is defined in National Policy 58-101 - *Corporate Governance Guidelines*, or as under other applicable securities laws and exchange requirements).

- Members of the Committee shall be appointed at a meeting of the Board, typically held following the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Company. Any member may be removed or replaced at any time by the Board.

- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.

- The Chair of the Committee (the "**Chair**") may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).

- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

- The Chair presiding at any meeting shall not have a casting vote.

- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.

3. MEETINGS

- The Committee shall meet at least semi-annually at the request of the Chair. In addition, a meeting may be called by any director.

- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee, when possible at least 48 hours prior to the time fixed for such meeting.

- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains on the Committee.

- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

- The CEO is expected to be available to attend meetings when requested, but a portion of every meeting will be reserved for in camera discussion without the CEO, or any other member of management, being present. The CEO must not be present during voting or deliberations in connection with compensation of the CEO.

- The Committee may by specific invitation have other resource persons in attendance, including such officers, directors and employees of the Corporation and its subsidiaries, and other persons as it may see fit.

- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

- Minutes of Committee meetings shall be sent to all Committee members.

- The Chair of the Committee shall report periodically the Committee's findings, activities and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.

- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.

- The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive officer compensation and shall have the sole authority to approve the consultant's fees, to be paid for by the Corporation, and other retention terms.

5. RESPONSIBILITIES

A. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;

- chair meetings of the Committee (unless not present, including in camera sessions), and report to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;

- ensure that the Committee meets on a regular basis and at least twice per year;

- in consultation with the Committee members, establish a calendar for holding meetings of the Committee;

- ensure that Committee materials are available to any director on request;

- report annually to the Board on the role of the Committee and the effectiveness of the Committee role in contributing to the objectives and responsibilities of the Board as a whole;

- foster ethical and responsible decision making by the Committee and its individual members;

- together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;

- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently;

- encourage Committee members to ask questions and express viewpoints during meetings;

- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and

- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

To carry out its oversight responsibilities, the Committee shall undertake the following:

- annually review and approve corporate goals and objectives relevant to the CEO and senior executive officer compensation, evaluate the performance of the CEO and each senior executive officer's performance in light of those goals and objectives, and recommend to the Board for approval the compensation level for the CEO and each senior executive officer based on this evaluation. In determining such compensation, the Committee will consider the Corporation's performance and relative shareholder return and the compensation of CEOs and senior executive officers at comparable companies. Additionally, the Committee may consider input from the CEO on senior executive compensation, but the CEO may not provide input with respect to his or her own compensation;

- review and approve the perquisites and supplemental benefits granted to the CEO and senior executive officers;

- annually review the compensation systems that are in place for employees of the Corporation in order to ensure the fairness and appropriateness of the compensation of all employees, including incentive compensation plans and equity-based plans;

- administer and make recommendations to the Board regarding the adoption, amendment or termination of the Company's incentive compensation plans and equity-based plans (including specific provisions) in which the CEO and senior executive officers may participate;

- ensure that all necessary shareholder and regulatory approvals have been obtained for equity-based compensation plans;

- recommend to the Board compensation and expense reimbursement policies for directors;

- review and approve, management service agreements, employment agreements, severance arrangements and change in control agreements and other similar arrangements for the CEO and senior executive officers;

- compare on an annual basis the total remuneration (including benefits) and the main components thereof for the senior executive officers with the remuneration practices in the same industry;

- establish levels of director compensation, including retainers, meeting fees, equity-based plans and other similar components of director compensation for Board approval, based on reviews of director compensation of comparable companies;

- review and recommend to the Board for its approval disclosure regarding executive and director compensation in the management proxy circular and in any offering documents prior to their public release;

- review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Corporate Governance and Nominating Committee for its approval;

- review and make recommendations to the Board on the number and frequency of stock option grants to employees; and

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;

CERTIFICATE OF THE COMPANY

Dated: June 23, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of Alberta, British Columbia and Ontario.

By: *"Craig Roberts"*
Chief Executive Officer

By: *"Michael Kanevsky"*
Chief Financial Officer

On Behalf of the Board of Directors

By: *"Collin Kettell"*
Director

By: *"Denis Laviolette"*
Director

CERTIFICATE OF THE AGENTS

Dated: June 23, 2020

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

By: *"Tom Jakubowski"*
Title: Managing Director

BMO NESBITT BURNS INC.

By: *"Carter Hohmann"*
Title: Managing Director

DESJARDINS SECURITIES INC.

By: *"Bruno Kaiser"*
Title: Managing Director

CERTIFICATE OF THE PROMOTER

Dated: June 23, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of Alberta, British Columbia and Ontario.

PROMOTER

By: Collin Kettell,
Executive Chairman
Promoter