



**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 \$
<b>ASSETS</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>18,477,401</b>	<b>8,225,171</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	1,100,716	1,100,716
Property, plant and equipment		26,963	29,149
<b>Total non-current assets</b>		<b>1,127,679</b>	<b>1,129,865</b>
<b>Total Assets</b>		<b>19,605,080</b>	<b>9,355,036</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	513,245	392,849
<b>Total current liabilities</b>		<b>513,245</b>	<b>392,849</b>
<b>EQUITY</b>			
Share capital	5	27,471,972	10,735,862
Reserves	5	4,667,467	4,667,467
Deficit		(13,047,604)	(6,441,142)
<b>Total equity</b>		<b>19,091,835</b>	<b>8,962,187</b>
<b>Total Equity and Liabilities</b>		<b>19,605,080</b>	<b>9,355,036</b>
<b>NATURE OF OPERATIONS (Note 1)</b>			
<b>COMMITMENTS (Note 10)</b>			
<b>SUBSEQUENT EVENTS (Note 13)</b>			

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

**New Found Gold Corp.**  
**Interim Statements of Loss and Comprehensive Loss**  
*(Unaudited - Expressed in Canadian Dollars)*

		Three months ended March 31,	
	Note	2020	2019
		\$	\$
<b>Expenses</b>			
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
<b>Loss from operating activities</b>		<b>(1,403,793)</b>	<b>(428,048)</b>
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
<b>Total loss and comprehensive loss for the period</b>		<b>(6,606,462)</b>	<b>(496,717)</b>
<b>Loss per share – basic and diluted (\$)</b>	7	<b>(0.08)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>83,045,128</b>	<b>56,466,417</b>

*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
	\$	\$
<b>Cash flows from operating activities</b>		
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)
	<u>(1,400,735)</u>	<u>(424,926)</u>
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	<u>(1,553,937)</u>	<u>(292,811)</u>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of investments	-	280,786
Net cash generated from investing activities	<u>-</u>	<u>280,786</u>
<b>Cash flows from financing activities</b>		
Stock options exercised	-	64,500
Net cash generated from financing activities	<u>-</u>	<u>64,500</u>
<b>Net (decrease) increase in cash</b>	<b>(1,533,937)</b>	<b>52,475</b>
<b>Cash at beginning of period</b>	<b>7,336,638</b>	<b>323,179</b>
<b>Cash at end of period</b>	<b><u>5,802,701</u></b>	<b><u>375,654</u></b>

**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			Total equity \$
	Number of shares	Amount \$	Equity settled share-based payments \$	Warrants \$	Deficit \$	
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.*

## **New Found Gold Corp.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

### **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.

## **New Found Gold Corp.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

### **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.



## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### 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		Ontario <sup>(ii)</sup>	Total
	Queensway <sup>(i)</sup>	Other		
Three months ended March 31, 2020	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>				
Balance as at December 31, 2019 and March 31, 2020	658,700	16,500	425,516	1,100,716
<b>Exploration and evaluation expenditures</b>				
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

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements  
For the three months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

### 3. EXPLORATION AND EVALUATION ASSETS (continued)

	Newfoundland		Ontario <sup>(ii)</sup>	Total
	Queensway <sup>(i)</sup>	Other		
<b>Three months ended March 31, 2019</b>	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>				
Balance as at December 31, 2018 and March 31, 2019	276,330	107,835	293,516	677,681
<b>Exploration and evaluation expenditures</b>				
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.

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements  
For the three months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

### 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.

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### 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).

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements  
For the three months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

### 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).

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### 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	More than
	\$	\$	\$	Years	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.

## New Found Gold Corp.

Notes to the Condensed Interim Financial Statements  
For the three months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

### 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.

## **New Found Gold Corp.**

Notes to the Condensed Interim Financial Statements  
For the three months ended March 31, 2020 and 2019  
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### **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.



## **New Found Gold Corp.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2020 and 2019

*(Unaudited - Expressed in Canadian Dollars)*

### **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.