

NEWCORE GOLD LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Funds - Unaudited)

For the Six Months Ended June 30, 2020

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the period ended June 30, 2020.

Newcore Gold Ltd.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Funds - Unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	\$ 236,979	\$ 92,386
Short-term investment	2,761,000	432,000
GST and other receivables	9,984	1,346
Prepaid expenses	<u>174,362</u>	<u>57,168</u>
	3,182,326	582,900
Non-current assets		
Loan receivable <i>(Note 6(a))</i>	143,750	-
Other assets	76,049	72,562
Exploration and evaluation assets <i>(Note 4)</i>	<u>14,690,014</u>	<u>13,997,180</u>
	<u>\$ 18,092,139</u>	<u>\$ 14,652,641</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables	\$ 173,596	\$ 286,244
Non-current liability		
Provision for bonus payment	<u>112,457</u>	<u>112,457</u>
	<u>286,053</u>	<u>398,701</u>
Shareholders' equity		
Share capital	14,933,396	11,681,023
Share-based payments reserve	1,732,945	1,738,250
Warrants reserve	2,460,252	2,460,252
Accumulated other comprehensive income	3,418,811	2,870,881
Accumulated deficit	<u>(4,739,317)</u>	<u>(4,496,467)</u>
	<u>17,806,087</u>	<u>14,253,941</u>
	<u>\$ 18,092,139</u>	<u>\$ 14,652,641</u>

Nature of operations (Note 1)

On behalf of the Audit Committee:

“Douglas Forster” Director “Edward Farrauto” Director

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

Newcore Gold Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2020

	Common shares							
	Number	Amount	Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accum. deficit	Total	
Balance – January 1, 2019	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 3,402,724	\$ (4,225,812)	\$ 15,056,438	
Foreign currency translation	-	-	-	-	(469,686)	-	(469,686)	
Net loss for the period	-	-	-	-	-	(172,988)	(172,988)	
Balance – June 30, 2019	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 2,933,038	\$ (4,398,800)	\$ 14,413,763	

	Common shares							
	Number	Amount	Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accum. deficit	Total	
Balance – January 1, 2020	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 2,870,881	\$ (4,496,467)	\$ 14,253,941	
Issuance of common shares:								
on private placement	15,000,000	2,949,199	-	-	-	-	2,949,199	
on finder's fees	128,500	-	-	-	-	-	-	
Exercise of options	2,250,000	303,174	(78,174)	-	-	-	225,000	
Share-based compensation	-	-	72,868	-	-	-	72,868	
Foreign currency translation	-	-	-	-	547,930	-	547,930	
Net loss for the period	-	-	-	-	-	(242,851)	(242,851)	
Balance – June 30, 2020	79,945,047	\$ 14,933,396	\$ 1,732,945	\$ 2,460,252	\$ 3,418,811	\$ (4,739,317)	\$ 17,806,087	

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

Newcore Gold Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (INCOME)**

(Expressed in Canadian Funds - Unaudited)

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
EXPENSES				
Accounting and audit fees	\$ 10,093	\$ 8,229	\$ 18,488	\$ 15,759
Consultants	-	4,741	-	9,241
Foreign exchange loss	8,685	31,790	18,967	17,349
Insurance	7,935	6,905	15,870	13,810
Legal	9,767	3,667	10,137	4,251
Management fees	44,128	36,750	50,128	73,500
Office	8,388	7,149	13,705	14,308
Rent	-	3,827	-	7,653
Share-based compensation	72,049	-	72,049	-
Shareholder relations, marketing and conferences	31,119	7,630	31,899	20,334
Transfer agent and regulatory fees	3,527	3,368	10,280	10,555
Travel	-	-	11,295	-
	<u>\$ 195,691</u>	<u>\$ 114,056</u>	<u>\$ 252,821</u>	<u>\$ 186,760</u>
OTHER INCOME				
Interest income	-	(751)	(9,970)	(13,772)
	<u>\$ 195,691</u>	<u>\$ 113,305</u>	<u>\$ 242,851</u>	<u>\$ 172,988</u>
Loss for the period				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation	480,774	226,868	(547,930)	469,686
	<u>676,465</u>	<u>340,173</u>	<u>(305,079)</u>	<u>642,674</u>
Comprehensive loss (income) for the period				
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Loss per share – basic and diluted				
Weighted average number of shares outstanding:				
Basic and fully diluted	66,576,662	62,566,547	64,693,180	62,566,547

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

Newcore Gold Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30

	2020	2019
CASH PROVIDED BY (USED IN):		
Cash flows from operating activities:		
Net loss for the period	\$ (242,851)	\$ (172,988)
Non-cash item:		
Unrealized foreign exchange	3,429	24,228
Share-based compensation	72,049	-
Changes in non-cash working capital:		
Trade and other receivables	(8,638)	(1,483)
Prepaid expenses	(117,195)	(18,926)
Trade and other payables	(124,139)	(39,674)
	<u>(417,344)</u>	<u>(208,843)</u>
Cash flows from investing activities:		
Redemption (purchase) of short-term investment	(2,329,000)	169,436
Loan to related party	(143,750)	-
Exploration and evaluation costs	(132,595)	(165,534)
	<u>(2,605,345)</u>	<u>3,902</u>
Cash flows from financing activities:		
Proceeds from share issuances, net of transaction costs	2,949,199	-
Exercise of options	225,000	-
	<u>3,174,199</u>	<u>-</u>
Effect of exchange rate on cash	(6,916)	(21,196)
	<u>144,594</u>	<u>(226,137)</u>
Increase (decrease) in cash	144,594	(226,137)
Cash – beginning of period	92,386	379,657
Cash – end of period	\$ 236,979	\$ 153,520

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

Newcore Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

1. NATURE OF OPERATIONS

Newcore Gold Ltd. (formerly Pinecrest Resources Ltd.) and its subsidiary (collectively, “Newcore” or the “Company”) engage principally in the acquisition, advancement, and development of precious mineral properties, particularly its Enchi Gold Project in Ghana. Newcore Gold Ltd., the parent, was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on January 18, 2010. Newcore is a public company listed on the TSX Venture Exchange (the “Exchange”) (TSX-V: NCAU) and its head office is located at 413 – 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, V7X 1J1.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information and footnotes required by the IFRS as issued by the International Accounting Standards Board for full annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2019. The same accounting policies and methods of computation are used in the preparation of these unaudited condensed interim consolidated financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with IFRS for the interim periods presented.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Audit Committee on August 12, 2020.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. Significant areas where management judgment is applied in these financial statements include the impairment of exploration and evaluation assets and the valuation of options and warrants (which are based upon expected useful lives and other relevant assumptions).

Newcore Gold Ltd.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020**4. EXPLORATION AND EVALUATION ASSETS**

	June 31, 2020	December 31, 2019
Acquisition costs		
Balance, beginning of period	\$ 8,356,926	\$ 8,356,926
Balance, end of period	\$ 8,356,926	\$ 8,356,926
Exploration and evaluation costs		
Balance, beginning of period	\$ 2,750,124	\$ 2,252,462
Camp costs	8,834	17,180
Drilling	1,017	2,629
Geological	46,839	89,099
General and administration	631	1,393
Logistics	9,605	-
Mining permits and licenses	54,136	274,841
Professional fees	838	40,579
Salaries and wages	7,768	17,604
Share-based compensation	819	-
Travel and lodging	-	169
Vehicle rental	28,330	54,168
Balance, end of period	\$ 2,908,941	\$ 2,750,124
Foreign exchange impact	3,424,147	2,890,130
Total exploration and evaluation assets	\$ 14,690,014	\$ 13,997,180

5. SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

(a) Private Placement

On June 17, 2020, the Company completed a non-brokered private placement for gross proceeds of \$3,000,000 through the issuance of 15,000,000 common shares ("Shares") of the Company at a price of \$0.20 per share (the "Private Placement"). The Company paid and issued to arm's length parties finder's fees in the amount of \$6,750 and 128,500 Shares, respectively. Total share issue costs in connection with the Private Placement amounted to \$50,801. Insiders of the Company subscribed for a total of 5,300,000 Shares in the Private Placement.

Newcore Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

5. SHARE CAPITAL – cont'd.

(b) Stock Options

A summary of the Company's stock options as at June 30, 2020 is as follows:

Exercise price	January 1, 2020	Granted	Exercised	June 30, 2020	Expiry date	Remaining contractual life in years	Number of options vested
\$0.10	2,550,000	-	(2,250,000)	300,000	December 21, 2020	0.48	300,000
\$0.45	2,350,000	-	-	2,350,000	April 13, 2022	1.79	2,350,000
\$0.53	250,000	-	-	250,000	May 24, 2022	1.90	250,000
\$0.25	-	4,450,000	-	4,450,000	May 19, 2025	4.89	-
	5,150,000	4,450,000	(2,250,000)	7,350,000			2,900,000
	\$0.28	\$0.25	\$0.10	\$0.32	Weighted average exercise price		

On May 19, 2020, the Company granted 4,450,000 stock options to directors, officers, consultant, and employees of the Company at \$0.25 per share with an expiry of five years. The fair value of the stock options was \$715,428 which was determined using the Black-Scholes pricing model with a risk-free rate of 0.42%, a volatility factor of 81.75%, dividends of nil, and an expected life of five years.

During the period ended June 30, 2020, 2,250,000 stock options with an exercise price of \$0.10 per common share were exercised by directors, officers, and a consultant of the Company for gross proceeds of \$225,000.

6. RELATED PARTY TRANSACTIONS

(a) Trading transactions

During the period ended June 30, 2020, Park Road Capital Corp. (the "Borrower"), a corporation controlled by the Company's CEO and President, and the Company executed a loan agreement whereby the Company agreed to lend \$150,000 to the Borrower (the "Loan"). The Loan is to be repaid in full by the Borrower before May 19, 2022. The Loan does not bear any interest.

During the period ending June 30, 2020, the Company paid or accrued nil (2019 - \$7,653) for office rent to a related company.

Newcore Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

6. RELATED PARTY TRANSACTIONS – cont'd.

(b) Compensation of key management personnel

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel during the period ended June 30 was as follows:

Related Party	Relationship	2020	2019
Park Road Capital Corp.	Chief Executive Officer	\$ 20,833	\$ -
Gladstone Capital Ltd.	Former Chief Executive Officer	-	37,500
Pacific Court Capital Corp.	Chief Financial Officer	14,000	18,000
Gregory Smith	Vice President, Exploration	15,295	-
Sail View Capital Ltd.	Director	-	18,000
		\$ 50,128	\$ 73,500

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial Instruments by Category

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Other receivables and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity or capacity of prompt liquidation. The carrying values of the Company's financial assets and financial liabilities are approximately equal to their fair values.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash which is held as cash deposits and short-term investment are available on demand to fund the Company's short-term financial obligations.

(c) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its cash, short-term investment, and loan receivable. The risk exposure is limited to their carrying values at the balance sheet date. Cash and short-term investments are held with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Concentration risk exists in cash and short-term investments because significant balances are maintained with one financial institution. The risk is mitigated because the instruments are maintained with a large Canadian financial institution.

Newcore Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

7. FAIR VALUE OF FINANCIAL INSTRUMENTS – cont'd.

(d) Market Risks

The significant market risk to which the Company is exposed is interest rate risk. The Company's interest rate risk arises primarily from the interest earned on cash and short-term investment. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. The Company's short-term investments reflect funds invested in GIC's. Other financial assets and liabilities of the Company are not subject to interest rate risk since they do not bear interest.

8. SEGMENTED INFORMATION

The Company's business is the acquisition, exploration, evaluation, and development of mineral resource properties, which is currently conducted principally in Ghana. The Company is in the exploration stage and accordingly, has no reportable segment revenues for any of the periods presented in these condensed interim consolidated financial statements.

	June 30, 2020	December 31, 2019
<i>Canada</i>		
Total assets	\$ 3,259,140	\$ 516,310
Total liabilities	\$ 274,562	\$ 164,828
<i>Ghana</i>		
Total assets	\$ 14,832,999	\$ 14,136,331
Total liabilities	\$ 11,490	\$ 233,873

The following geographic data denotes net losses based on their country of origin for the period ended June 30:

	2020	2019
Canada	\$ 220,127	\$ 161,803
Ghana	22,724	11,185
Loss for the period	\$ 242,851	\$ 172,988

Newcore Gold Ltd.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Funds - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

9. CORONAVIRUS (COVID-19)

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