Unaudited Condensed Interim Financial Statements of

ISOENERGY LTD.

March 31, 2020 and 2019

ISOENERGY LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
As at

	Note	March 31, 2020	December 31, 2019
ASSETS			
Current			
Cash		**$ 3,722,561**	$ 6,587,075
Accounts receivable		**194,047**	24,539
Prepaid expenses		**163,010**	184,245
		4,079,618	6,795,859
Non-Current			
Deposit		**9,274**	9,274
Equipment	5	**214,205**	232,132
Exploration and evaluation assets	6	**50,230,181**	47,966,888
TOTAL ASSETS		**$ 54,533,278**	$ 55,004,153
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**$ 328,364**	$ 355,335
Current portion of lease liability	7	**66,745**	66,745
Flow-through share premium liability	8	**85,769**	227,522
		480,878	649,602
Non-Current			
Long-term lease liability	7	**128,475**	142,486
Deferred income tax liability	9	**1,166,037**	725,066
TOTAL LIABILITIES		**1,775,390**	1,517,154
EQUITY			
Share capital	10	**58,744,249**	58,740,682
Share option reserve	10	**3,616,309**	3,412,971
Warrant reserve	10	**354,980**	356,233
Deficit		**(9,957,650)**	(9,022,887)
TOTAL EQUITY		**52,757,888**	53,486,999
TOTAL LIABILITIES AND EQUITY		**$ 54,533,278**	$ 55,004,153

Nature of operations (Note 2)
Commitments (Notes 7 and 8)

The accompanying notes are an integral part of the condensed interim financial statements
These condensed interim financial statements were authorized for issue by the Board of Directors on May 6, 2020

"*Craig Parry*"	"*Trevor Thiele*"
Craig Parry, CEO, Director	**Trevor Thiele, Director**

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

	Note	2020	2019
General and administrative costs			
Share-based compensation	10, 11	$ 142,486	$ 63,098
Administrative salaries, contract and director fees	11	176,515	161,636
Investor relations		149,460	104,314
Office and administrative		38,211	46,444
Professional and consultant fees		59,173	60,488
Travel		40,446	25,816
Public company costs		41,235	20,952
Depreciation expense		15,528	15,173
Total general and administrative costs		(663,054)	(497,921)
Interest income		22,549	17,952
Interest on lease liability		(2,615)	(3,194)
Rental income		7,576	7,576
Loss from operations		(635,544)	(475,587)
Deferred income tax expense	9	(299,219)	(77,281)
Loss and comprehensive loss		$ (934,763)	$ (552,868)
Loss per common share – basic and diluted		$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		84,268,865	68,363,868

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

ISOENERGY LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Option reserve	Warrant reserve	Deficit	Total
Balance as at January 1, 2019		**68,363,868**	**$52,533,694**	**$ 3,075,648**	**$ 305,937**	**$(6,860,622)**	**$49,054,657**
Share-based payments	10	**-**	**-**	**91,601**	**-**	**-**	**91,601**
Loss for the period		**-**	**-**	**-**	**-**	**(552,868)**	**(552,868)**
Balance as at March 31, 2019		**68,363,868**	**$52,533,694**	**$ 3,167,249**	**$ 305,937**	**$(7,413,490)**	**$48,593,390**
Balance as at January 1, 2020		**84,267,500**	**$58,740,682**	**$ 3,412,971**	**$ 356,233**	**$(9,022,887)**	**$53,486,999**
Shares issued on the exercise of warrants	10	**6,089**	**3,567**	**-**	**(1,253)**	**-**	**2,314**
Share-based payments	10	**-**	**-**	**203,338**	**-**	**-**	**203,338**
Loss for the period		**-**	**-**	**-**	**-**	**(934,763)**	**(934,763)**
Balance as at March 31, 2020		**84,273,589**	**$58,744,249**	**$ 3,616,309**	**$ 354,980**	**$(9,957,650)**	**$52,757,888**

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

ISOENERGY LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
For the three months ended March 31

		2020		2019
Cash flows from (used in) operating activities				
Loss for the period	$	(934,763)	$	(552,868)
Items not involving cash:				
Share-based compensation		142,486		63,098
Deferred income tax expense		299,219		77,281
Depreciation expense		15,528		15,173
Interest on lease liability		2,615		3,194
Changes in non-cash working capital				
Account receivable		(169,509)		(10,839)
Prepaid expenses		21,235		(42,942)
Accounts payable and accrued liabilities		(23,936)		(140,858)
	$	(647,125)	$	(588,761)
Cash flows used in investing activities				
Additions to exploration and evaluation assets	$	(2,171,879)	$	(1,450,560)
Acquisition of exploration and evaluation assets		(31,198)		-
	$	(2,203,077)	$	(1,450,560)
Cash flows from (used in) financing activities				
Proceeds on exercise of warrants	$	2,314	$	-
Lease liability payments:				
Principal		(14,011)	$	(11,959)
Interest		(2,615)		(3,194)
	$	(14,312)	$	(15,153)
Change in cash	$	(2,864,514)	$	(2,054,474)
Cash, beginning of period		6,587,075		6,405,256
Cash, end of period	$	3,722,561	$	4,350,782

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

1. REPORTING ENTITY

IsoEnergy Ltd. ("**IsoEnergy**", or the "**Company**") is an exploration stage entity engaged in the acquisition, exploration and evaluation of uranium properties in Canada. The Company's registered and records office is located on the 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2TS. The Company's common shares are listed on the TSX Venture Exchange (the "**TSXV**").

As of March 31, 2020, the Company did not have any subsidiaries and NexGen Energy Ltd ("**NexGen**") holds 52.03% of IsoEnergy's outstanding common shares.

2. NATURE OF OPERATIONS

As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at March 31, 2020, the Company had accumulated losses of $9,957,650 and working capital of $3,684,509 (working capital is defined as current assets less accounts payable and accrued liabilities and the current portion lease liability). The Company depends on external financing for its operational expenses.

The business of exploring for and mining of minerals involves a high degree of risk. As an exploration company, IsoEnergy is subject to risks and challenges similar to companies at a comparable stage. These risks include, but are not limited to, negative operating cash flow and dependence on third party financing; the uncertainty of additional financing; the limited operating history of IsoEnergy; the lack of known mineral resources or reserves; the influence of a large shareholder; alternate sources of energy and uranium prices; aboriginal title and consultation issues; risks related to exploration activities generally; reliance upon key management and other personnel; title to properties; uninsurable risks; conflicts of interest; permits and licenses; environmental and other regulatory requirements; political regulatory risks; competition; and the volatility of share prices.

During March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate our business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations cannot be reasonably estimated at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position and cash flows in 2020. A program of core drilling at the Hurricane Zone on the Larocque East property is tentatively planned for the summer 2020 drilling season. The scope and timing of the program has yet to be determined, as these may be impacted by the COVID-19 pandemic.

These condensed interim financial statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain financing and achieve future profitable operations.

The underlying value of IsoEnergy's exploration and evaluation assets is dependent upon the existence and economic recovery of mineral resources or reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future business conditions or the failure to raise additional funds could require the Company to reduce its planned activities or require material write-downs of the carrying value of IsoEnergy's exploration and evaluation assets.

3. BASIS OF PRESENTATION

Statement of Compliance

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

3. BASIS OF PRESENTATION (continued)

Basis of Presentation

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

Critical accounting judgments, estimates and assumptions

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

Information about significant areas of judgement and estimation uncertainty considered by management in preparing the financial statements are set out in Note 3 to the audited financial statements for the year ended December 31, 2019 and have been consistently followed in preparation of these condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the year ended December 31, 2019 and have been consistently followed in preparation of these condensed interim financial statements.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

The following is a summary of the carrying values of equipment:

	Right-of-use asset	Software	Field equipment	Office furniture	Total
Cost					
Balance, January 1, 2019	$ -	$ 64,947	$ 27,092	$ 13,103	$ 105,142
Additions	-	-	14,336	-	14,336
Asset recognized on adoption of IFRS 16 (Note 7)	259,512	-	-	-	259,512
Balance, December 31, 2019 and March 31, 2020	**$ 259,512**	**$ 64,947**	**$ 41,428**	**$ 13,103**	**$ 378,990**
Accumulated depreciation					
Balance, January 1, 2019	**-**	55,005	14,044	7,895	76,944
Depreciation	58,799	4,970	4,251	1,894	69,914
Balance, December 31, 2019	$ 58,799	$ 59,975	$ 18,295	$ 9,789	$ 146,858
Depreciation	**14,699**	**1,242**	**1,157**	**829**	**17,927**
Balance, March 31, 2020	**$ 73,498**	**61,217**	**19,452**	**10,618**	**164,785**
Net book value*:*					
Balance, December 31, 2019	$ 200,713	$ 4,972	$ 23,133	$ 3,314	$ 232,132
Balance, March 31, 2020	**$ 186,014**	**$ 3,730**	**$ 21,976**	**$ 2,485**	**$ 214,205**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following is a summary of the carrying value of the acquisition costs and expenditures on the Company's exploration and evaluation assets:

	Note	For the three months ended March 31, 2020	For the year ended December 31, 2019
Acquisition costs:			
Balance, opening		$ 35,298,069	$ 35,284,839
Additions	a	31,198	14,077
Impairments	b	-	(847)
Balance, closing		$ 35,329,267	$ 35,298,069
Deferred exploration costs:			
Balance, opening		$ 12,668,819	$ 8,188,403
Additions:			
Drilling		1,419,074	1,921,903
Geological and geophysical		51,200	600,253
Labour and wages		246,186	825,860
Share-based compensation		60,852	98,474
Geochemistry and assays		184,829	244,195
Camp costs		244,980	665,140
Travel and other		24,974	138,098
Impairments	b	-	(13,507)
		$ 2,232,095	$ 4,480,416
Balance, closing		$ 14,900,914	$ 12,668,819
Total costs, closing		$ 50,230,181	$ 47,966,888

All claims are subject to minimum expenditure commitments. The Company expects to incur the minimum expenditures to maintain the claims.

(a) New claim staking

In the three months ended March 31, 2020, the Company spent $31,198 to stake a new 32,400-hectare uranium exploration property located in the Eastern Athabasca named Evergreen along the southeast margin of the basin, approximately 20km west of the Key Lake uranium mine/mill. During 2019 the Company spent $14,077 to acquire, through staking, a new 8,577-hectare uranium exploration property called Collins Bay Extension, plus a new 4,218-hectare uranium exploration property located north of Larocque East called Edge.

(b) Impairment

In 2019, the Company decided not to incur expenditure limits required to maintain Fox in good standing and accordingly has impaired an amount of $14,354 relating to that property.

(Expressed in Canadian Dollars)

7. LEASE LIABILITY

	For the three months ended March 31, 2020	For the year ended December 31, 2019
Opening balance, January 1	$ 209,231	$ -
Lease liability recognized on adoption of IFRS 16 on January 1, 2019	-	259,512
Interest on lease liability	2,615	11,862
Payments	(16,626)	(62,143)
Lease liability, end of period	195,220	209,231
Less Current portion	(66,745)	(66,745)
Long-term lease liability	$ 128,475	$ 142,486

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

The lease is for an office space lease that extends to May 31, 2023. The discount rate applied to the lease is 5%. See Note 5 for information related to the leased asset. In addition to the lease payments the Company pays approximately $47,000 annually related to operating costs and realty taxes of the leased office space. This amount is reassessed annually based on actual costs incurred.

IsoEnergy has a Facilities and Shared Services Agreement ("**NxGold Agreement**") with NxGold Ltd. ("**NxGold**"), a related company. IsoEnergy sub-leases approximately 50% of its office space to NxGold in exchange for $2,500 per month. The NxGold Agreement was terminated March 31, 2020. (The space was sub-leased to a third party on April 1, 2020). The Company accounts for the sublease as an operating lease with amounts received from NxGold recognized as rental income from January 1, 2019.

As at March 31, 2020, the minimum future lease payments relating to the leased asset are as follows:

2020	50,059
2021	66,745
2022	66,745
2023	27,810
	$ 211,359

In addition to the leased asset above, the Company engages a drilling company to carry out its drilling programs on its exploration and evaluation properties. The drilling company provides all required equipment. These contracts are short-term, and the Company has elected not to apply the recognition and measurement requirements of IFRS 16 to them. Payments to the drilling company in the three months ended March 31, 2020 were $1,331,366 (March 31, 2019 - $696,099).

(Expressed in Canadian Dollars)

8. COMMITMENTS

The Company has raised funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium received for a flow-through share, which is the price received for the share in excess of the market price of the share, is recorded as a flow-through share premium liability. This liability is subsequently reduced when the required exploration expenditures are made, on a pro rata basis, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense to the extent that deferred income tax assets are available.

As of March 31, 2020, the Company is obligated to spend $1,286,000 on eligible exploration expenditures by the end of 2020. As the commitment is satisfied, the remaining balance of the flow-through premium liability is derecognized.

The flow-through share premium liability is comprised of:

	For the three months ended March 31, 2020	For the year ended December 31, 2019
Balance, opening	$ 227,522	$ 550,392
Liability incurred on flow-through shares issued	-	233,340
Settlement of flow-through share liability on expenditures made	(141,753)	(556,210)
Balance, closing	$ 85,769	$ 227,522

9. INCOME TAXES

Deferred income tax expense comprises:

	For the three months ended March 31	
	2020	2019
Deferred income tax recovery related to operations	$ (133,126)	$ (111,372)
Flow-through renunciation	574,098	381,155
Release of flow-through share premium liability	(141,753)	(192,502)
Deferred income tax expense	$ 299,219	$ 77,281

In the three months ended March 31, 2020 the Company incurred $2,126,288 (three months ended March 31, 2019 - $1,411,684) of eligible exploration expenditures in respect of its flow-through share commitments (Note 8). A deferred income tax expense is recognized due to the taxable temporary difference arising from capitalized exploration and evaluation assets with no tax basis as a result of the renunciation of the tax attributes to the investors in the flow-through shares.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

Authorized Capital - Unlimited number of common shares with no par value.

Issued

In the three months ended March 31, 2020 the Company issued 6,089 shares on the exercise of warrants for proceeds of $2,314.

For the year ended December 31, 2019:

(a) On December 3, 2019, the Company issued 7,778,000 flow-through shares (the "**FT Shares**") at a price of $0.45 per FT Share for aggregate gross proceeds of $3,500,100.

On December 9, 2019 the Company issued 8,056,858 units at a price of $0.40 per Unit for aggregate gross proceeds of $3,222,743 (the "**Unit**"). Each Unit consisted of one non-flow through common share and one-half of a share purchase warrant (the "**Warrant**") with each Warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.60. The Warrants were valued at $nil using the residual method.

Share issuance costs for the funds raised in December 2019 were $322,802, net of $95,556 of tax. Share issuance costs includes $64,449 related to 466,680 brokers' warrants which were valued using the Black-Scholes model with a corresponding amount added to the Warrant reserve account in Equity. The brokers' warrants entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.45.

(b) The Company issued 68,774 shares on the exercise of warrants for proceeds of $26,134.

Stock Options

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

Stock option transactions and the number of stock options outstanding on the dates set forth below are summarized as follows:

	Number of options	Weighted average exercise price per share
Outstanding January 1, 2019	6,320,000	$ 0.74
Granted	100,000	$ 0.50
Outstanding December 31, 2019	6,420,000	$ 0.74
Granted	1,735,000	$ 0.385
Outstanding, March 31, 2020	8,155,000	$ 0.66
Number of options exercisable	6,179,990	$ 0.75

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

As at March 31, 2020, the Company has stock options outstanding and exercisable as follows:

Number of options	Exercise price per option	Number of options exercisable	Exercise price per option	Vesting	Remaining contractual life (years)	Expiry date
3,100,000	$1.00	3,100,000	$1.00		1.6	October 25, 2021
100,000	$1.00	100,000	$1.00		1.6	October 24, 2021
250,000	$1.00	250,000	$1.00		1.8	January 4, 2022
50,000	$1.00	50,000	$1.00		2.2	May 25, 2022
400,000	$0.57	400,000	$0.57		2.8	January 8, 2023
1,080,000	$0.36	719,994	$0.36	(i)	3.3	July 30, 2023
40,000	$0.36	40,000	$0.36		3.3	July 30, 2023
1,250,000	$0.42	833,331	$0.42	(i)	3.8	December 28, 2023
50,000	$0.42	50,000	$0.42		3.8	December 28, 2023
100,000	$0.50	75,000	$0.50	(ii)	4.2	June 5, 2024
1,685,000	$0.385	561,665	$0.385	(i)	4.8	January 24, 2025
50,000	$0.385	-	$0.385	(ii)	4.8	January 24, 2025
8,155,000	$0.66	6,179,990	$0.75			

(i) 1/3 annually with 1/3 vesting immediately
(ii) 25% quarterly starting one quarter after the grant date

The Company uses the Black-Scholes option pricing model to calculate the fair value of granted stock options. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates. The following weighted average assumptions were used to estimate the grant date fair values for the three months ended March 31, 2020:

Expected stock price volatility	75%
Expected life of options	5 years
Risk free interest rate	1.39%
Expected dividend yield	0.00%
Weighted average exercise price	$ 0.385
Weighted average fair value per option granted	$ 0.24

The Company has share-based compensation related to options that vested or forfeited in the period. Share-based compensation in the period is as follows:

	2020	2019
Capitalized to exploration and evaluation assets	**$ 60,852**	$ 28,503
Expensed to the statement of loss and comprehensive loss	**142,486**	63,098
	$ 203,338	$ 91,601

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Warrants

As of March 31, 2020, the Company has the following warrants outstanding:

Expiry Date	January 1, 2020	Exercised	March 31, 2020	Weighted average exercise price per warrant
December 20, 2020	484,774	(6,089)	478,685	$0.38
April 21, 2021	2,400,260	-	2,400,260	$0.60
December 6, 2021	4,028,429	-	4,028,429	$0.60
December 3, 2021	466,680	-	466,680	$0.45
	7,380,143	(6,089)	7,374,054	$0.58

On December 3, 2019, the Company issued 466,680 warrants for services which were valued at $64,449. The Company uses the Black-Scholes option pricing model to calculate the fair value of warrants issued for services. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates. The following assumptions were used to estimate the fair value of the warrants issued for services for the year ended December 31, 2019:

Expected stock price volatility	75%
Expected life of warrants	2 years
Risk free interest rate	1.55%
Expected dividend yield	0.00%
Exercise price	$ 0.44
Fair value per warrant	$ 0.14

11. RELATED PARTY TRANSACTIONS

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

Remuneration attributed to key management personnel is summarized as follows:

Three months ended March 31, 2020	Short term compensation	Share-based compensation	Total
Expensed in the statement of loss and comprehensive loss	$ 135,897	$ 107,994	$ 243,891
Capitalized to exploration and evaluation assets	103,103	32,814	135,917
	$ 239,000	$ 140,808	$ 379,808

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (continued)

Three months ended March 31, 2019	**Short term compensation**	**Share-based compensation**	**Total**
Expensed in the statement of loss and comprehensive loss	$ 129,852	$ 57,451	$ 187,303
Capitalized to exploration and evaluation assets	98,330	9,816	108,146
	$ 228,182	$ 67,267	$ 295,449

As of March 31, 2020, nil (December 31, 2019 – $34,500) was included in accounts payable and accrued liabilities owing to directors and officers for compensation.

On December 9, 2019, NexGen acquired 7,371,858 Units of the Company (see note 10).

The Company charges office lease and administrative expenditures to NxGold, a company with officers and directors in common. During the three months ended March 31, 2020, office lease and administrative expenditures charged to NxGold amounted to $26,533 (2019 – $26,533). At March 31, 2020, NxGold owes IsoEnergy nil (December 31, 2019 – $8,844).

12. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of assets. The Board of Directors does not impose quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types of equity and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company, has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and accounts receivable are classified at their amortized costs.

13. FINANCIAL INSTRUMENTS (continued)

Financial instrument risk exposure

As at March 31, 2020, the Company's financial instrument risk exposure and the impact thereof on the Company's financial instruments are summarized below:

(a) 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. As at March 31, 2020, the Company has cash on deposit with a large Canadian bank. Credit risk is concentrated as a significant amount of the Company's cash and cash equivalents is held at one financial institution. Management believes the risk of loss to be remote. The Company's accounts receivable consists of input tax credits receivable from the Government of Canada and interest accrued on cash equivalents. Accordingly, the Company does not believe it is subject to significant credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at March 31, 2020, the Company had a working capital balance of $3,684,509, including cash of $3,722,561.

(c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of March 31, 2020.

(ii) Foreign Currency Risk

The functional currency of the Company is the Canadian dollar. Currency transaction risk and currency translation risk is the risk that fluctuations of the Canadian dollar in relation to other currencies may impact the fair value of financial assets, liabilities and operating results. As of March 31, 2020, the Company had no financial assets or liabilities that were subject to currency translation risk. The Company maintains a Canadian dollar bank account in Canada.

(iii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of movements in individual equity prices or general movements in the level of the stock market on the Company's financial performance. Commodity price risk is defined as the potential adverse impact of commodity price movements and volatilities on financial performance and economic value. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors the commodity prices of uranium, individual equity movements, and the stock market.

14. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of uranium properties. All of the Company's non-current assets are located in Canada.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There was no cash paid for income tax or interest in the three months ended March 31, 2020 and 2019.

Non-cash transactions in the three months ended March 31, 2020 and 2019 included:

(a) A non-cash transaction of $60,852 (2019 – $28,503) related to share-based payments was included in exploration and evaluation assets.

(b) The lease liability of $259,512 and related lease asset recorded in the three months ended March 31, 2019 were non-cash (see Note 5 and 7).