HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019
AND FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO SEPTEMBER 30, 2019

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of HighGold Mining Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

HIGHGOLD

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

(Expressed in Canadian dollars)

ASSETS	
Current Assets	
Cash and cash equivalents	$ 7,097,271
Amounts receivable	10,339
Prepaid expenses	55,000
	7,162,610
Exploration and evaluation assets (Note 4)	4,822,658
	$ 11,985,268
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current Liabilities	
Accounts payable and accrued liabilities	$ 1,680,573
Due to Constantine Metal Resources Ltd. (Note 5)	42,847
	1,723,420
SHAREHOLDER'S EQUITY	
Share capital (Note 6)	10,862,710
Contributed surplus (Note 6)	69,707
Foreign currency translation reserve	(1,056)
Deficit	(669,513)
	10,261,848
	$ 11,985,268

Subsequent events (Note 11)

Approved on behalf of the Board of Directors of HighGold Mining Inc.

"Darwin Green"	*"Aris Morfopoulos"*
Director	Director

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

HIGHGOLD

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS

FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO SEPTEMBER 30, 2019

(Expressed in Canadian dollars)

	Three Months Ended September 30, 2019	Period from Inception April 16, 2019 to September 30, 2019
EXPENSES		
Advertising and promotion	$ 54,298	$ 54,298
Consulting fees (Note 7)	74,828	74,828
Filing and transfer agent	44,872	45,922
Management fees (Note 7)	36,700	36,700
Office and miscellaneous	48,559	48,727
Professional fees	332,714	332,714
Rent	706	706
Stock-based compensation (Note 6)	69,707	69,707
Travel	5,911	5,911
Net loss for the period	(668,295)	(669,513)
Other comprehensive loss		
Foreign currency translation	(1,056)	(1,056)
Comprehensive loss for the period	$ (669,351)	$ (670,569)
Basic and diluted loss per share	(0.06)	(0.05)
Weighted average number of common shares outstanding	12,369,200	6,814,170

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

HIGHGOLD

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO SEPTEMBER 30, 2019

(Expressed in Canadian dollars)

	Share Capital					
	Number of shares	Amount	Contributed surplus	Foreign currency translation reserve	Deficit	Total
As at April 16, 2019	100	$ 100	$ -	$ -	$ -	$ 100
Issued pursuant to a plan of arrangement	15,118,075	3,508,710	-	-	-	3,508,710
Private placements	18,000,000	7,850,000	-	-	-	7,850,000
Share issue costs	-	(496,000)	-	-	-	(496,000)
Shares cancelled	(100)	(100)	-	-	-	(100)
Stock-based compensation	-	-	69,707	-	-	69,707
Foreign currency translation	-	-	-	(1,056)	-	(1,056)
Net loss for the period	-	-	-	-	(669,513)	(669,513)
As at September 30, 2019	33,118,075	$ 10,862,710	$ 69,707	$ (1,056)	$ (669,513)	$ 10,261,848

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

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO SEPTEMBER 30, 2019

(Expressed in Canadian dollars)

OPERATING ACTIVITIES	
Loss for the period	$ (669,513)
Adjustments for non-cash items:	
Stock-based compensation	69,707
Change in non-cash working capital:	
Amounts receivable	(10,339)
Prepaid expenses	(55,000)
Accounts payable and accrued liabilities	598,311
Due to Constantine Metal Resources Ltd.	22,847
Cash used in operating activities	(43,987)
INVESTING ACTIVITY	
Exploration and evaluation expenses	(231,686)
Cash used in investing activity	(231,686)
FINANCING ACTIVITY	
Proceeds on issuance of common shares, net	7,354,000
Loan from Constantine Metal Resources Ltd.	20,000
Cash provided by financing activity	7,374,000
Effect of foreign exchange on cash	(1,056)
Change in cash and cash equivalents	7,097,271
Cash, beginning of period	-
Cash, end of period	$ 7,097,271

Supplemental information with respect to cash flows:	
Exploration and evaluation expenses included accounts payable	$ 1,082,262

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

(Expressed in Canadian dollars)

1. CORPORATE INFORMATION

HighGold Mining Inc. (the 'Company' or 'HighGold') was formed on April 16, 2019 under the laws of British Columbia as a wholly-owned subsidiary of Constantine Metal Resources Ltd. ("Constantine" or the "Parent"). The address of the Company's corporate office and its principal place of business is 320 - 800 West Pender Street, Vancouver, BC, V6C 2V6.

On June 24, 2019, Constantine and HighGold entered into an Arrangement Agreement pursuant to which it was proposed that HighGold would, through a series of transactions, acquire all of Constantine's gold assets, and would itself be acquired by Constantine's shareholders (the "Arrangement"). At the conclusion of the transactions set out in the Arrangement Agreement each Constantine shareholder would hold the same number of Constantine shares as he, she, or it held at the start of the transactions, and one third of that number of HighGold shares.

The Arrangement between Constantine and the Company was completed on August 1, 2019. Under the terms of the Arrangement, Constantine transferred its gold assets to the Company (Note 4), and Constantine shareholders received one common share of the Company for every three common shares of Constantine held. A total of 15,118,075 common shares of the Company were issued pursuant to the Arrangement. Under the terms of the Arrangement, there were also 1,092,892 stock options of the Company issuable to Constantine stock option-holders (Note 11(a)) and 4,901,956 warrants of the Company issuable to Constantine warrant-holders (Note 11(b)).

The Company's common shares issued under the Arrangement was valued at $3,508,710 which represented the carrying value of the assets acquired and the liability assumed, as follows:

		AMOUNT
Johnson Tract Property	$	974,896
Munro-Croesus Property		2,099,903
Golden Mile Property		306,751
Golden Perimeter Property		133,307
Yukon claims		1
Cash in the bank account		6,758
Accounts payable related to the Johnson Tract Property		(12,906)
	$	3,508,710

The Company previously reported a carve-out of $3,395,828 and $3,207,669 from Constantine as at April 30, 2019 and October 31, 2018, respectively, related to the above exploration and evaluation properties in the Company's carve-out financial statements filed on September 17, 2019. The changes between the carve-out figures and the actual value of the properties transferred from Constantine represent additional costs incurred by Constantine from those carve-out dates to the effective date of the Arrangement.

HighGold obtained assets and a distribution of shareholders sufficient to facilitate the intended listing of its common shares for trading on the TSX Venture Exchange ("TSX-V"). The Company's shares are now trading on the TSX-V under the stock symbol "HIGH".

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB").

The policies applied in these condensed interim financial statements are based on IFRS issued as at November 26, 2019, the date the Board of Directors of the Parent approved these financial statements.

b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Epica Gold Inc. (“Epica”) and JT Mining, Inc. (“JT Mining”) from the effective date of the Arrangement of August 1, 2019. Inter-company balances and transactions are eliminated on consolidation.

c) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency. The functional currency of Epica and JT Mining is Canadian dollar and the US dollar, respectively.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

b) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and balances in foreign currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

ii) Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as subsequently measured at amortized cost. Cash is classified as a financial asset.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

Fair value through OCI (FVOCI): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as subsequently measured at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

d) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current income tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred income tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

e) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

f) Exploration and evaluation properties

Costs directly related to the exploration and evaluation of resource properties are capitalized once the legal rights to explore the resource properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for impairment at each reporting date.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

g) Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

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 the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

h) Loss per share

Loss per share is calculated using the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

i) Stock-based compensation

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the BlackScholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

Upon the expiry or cancellation of stock options and other share-based payments, their fair value previously recorded in reserve is transferred to deficit.

j) Share capital

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

k) Valuation of equity units in private placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

l) Judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of estimates relate to the determination of impairment of exploration and evaluation properties, determination of mineral reserves, and provision for closure and reclamation.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Balance April 16, 2019	For the period ended September 30, 2019	Balance September 30, 2019
Johnson Tract Property, Alaska, USA			
Acquired from Constantine	$ -	$ 974,896	$ 974,896
Acquisition costs	-	20,389	20,389
Administration	-	1,129	1,129
Camp costs and field support	-	197,407	197,407
Drilling	-	516,231	516,231
Geology and project management	-	89,127	89,127
Transportation	-	468,013	468,013
Foreign currency translation	-	(2,265)	(2,265)
	$ -	$ 2,264,927	$ 2,264,927
Munro-Croesus Property, Ontario, Canada			
Acquired from Constantine	$ -	$ 2,099,903	$ 2,099,903
Geology and project management	-	5,834	5,834
	$ -	$ 2,105,737	$ 2,105,737
Golden Mile Property, Ontario, Canada			
Acquired from Constantine	$ -	$ 306,751	$ 306,751
Camp costs and field support	-	181	181
Geology and project management	-	8,036	8,036
	$ -	$ 314,968	$ 314,968
Golden Perimeter Property, Ontario, Canada			
Acquired from Constantine	$ -	$ 133,307	$ 133,307
Geology and project management	-	3,633	3,633
	$ -	$ 136,940	$ 136,940
Yukon, Canada			
Acquired from Constantine	$ -	$ 1	$ 1
Geology and project management	-	85	85
	$ -	$ 86	$ 86
Total	**$ -**	**$ 4,822,658**	**$ 4,822,658**

The following properties have been acquired from Constantine pursuant to the Arrangement dated June 24, 2019. As such, all underlying agreements with respect to these properties have been assigned to the Company effective August 1, 2019 (Note 1).

a) Johnson Tract Property, Alaska

In May 2019, Constantine completed a definitive agreement ("Agreement") with Cook Inlet Region, Inc. ("CIRI") for the lease rights to the 20,942 acre Johnson Tract property located 200 kilometers southwest of Anchorage, in Southcentral Alaska. Commercial terms outlined in the Agreement include a 10-year lease with a renewal option, and annual lease payments of US$75,000 for years one through five, escalating to $150,000 from year six onwards, until production is achieved. Under the terms of the Agreement, the Company may exercise its option to maintain the lease rights by incurring US$10 million in expenditures over the first 10 years, inclusive of at least US$7.5 million within the first 6 years. Upon completing such expenditure requirements and satisfying other lease conditions, the Company may renew the lease for an additional 5 years (11 through 15) by making annual lease payments of $150,000 per year (inflation adjusted) and completing an additional US$10 million in expenditures. The lease rights would be are subject to CIRI's "back-in" right to acquire a 15-25% interest in the lease rights, as well as an NSR on the base metals of 2-3% and a gold NSR ranging from 2.5% to 4.0%, depending on the price of gold at the time. Constantine paid a US$50,000 lease payment upon signing of the Agreement.

b) Munro-Croesus Property

The Company has a 100% ownership interest in the Munro-Croesus Property, which is located 90 kilometers east of Timmins, Ontario, and includes the former Munro-Croesus gold mine. There is a 2% NSR payable on the property, of which 0.5% can be purchased by the Company for $1,000,000, with a right of first refusal on the remaining 1.5% NSR. As at September 30, 2019, the Munro-Croesus property consists of 15 patented mining claims and leases and two staked claims.

c) Golden Mile Property

In December 2016, Constantine completed the earn-in obligations of an option agreement to acquire 100% of the Golden Mile property, comprised of 32 claims in the Porcupine Mining Division in northern Ontario, Canada. There is a 3% NSR payable to the previous owners to Constantine of the property, of which 1/3 of the NSR may be purchased by the Company at any time for $1,000,000. The Company must also make annual advance royalty payments of $10,000, which are deductible from future NSR payments.

d) Golden Perimeter Property

As of December 15, 2018, Constantine entered into an agreement to acquire the Golden Perimeter property, comprised of 561 claims located in the Porcupine Mining Division in northern Ontario, Canada. In order to continue to maintain the option and acquire the Golden Perimeter property, the Company must make cash payments totaling $65,000 and issue 100,000 of its shares over the remaining three year period of the Agreement. Upon completion of the full purchase price of cash and shares, the Company will make annual advance royalty payments of $10,000, commencing on December 15, 2024 and each year thereafter, until commercial productions commences. There is a 2.5% NSR on the property, of which 1.0% can be purchased by the Company at any time for $750,000. The Company will retain the right of first refusal on the remaining 1.5% NSR.

e) Yukon Land Position and Joint Venture

The Company holds a 50% interest in a joint venture with Carlin Gold Corporation (“Carlin”) which controls over 3,000 claims in the Mayo and Watson Lake Mining Districts, Yukon. The claims are distributed in twelve blocks that total approximately 65,000 hectares (250 square miles).

Mineral Property Option Agreement with Fireweed Zinc Ltd. (“Fireweed”)

Under the auspices of the Constantine Carlin Joint Venture (“CCJV”), in May 2017 Constantine entered into a mineral property option agreement granting Fireweed an option to purchase a 100% interest in three properties totaling 624 claims in the Mac Pass area, Yukon. The subject claims were staked under the CCJV, and all remaining option payments and royalties from the Fireweed option agreement are to be split between the Company and Carlin.

Total consideration for Fireweed to acquire a 100% interest in the properties includes the payment of an aggregate of $500,000 in cash and the issuance of 300,000 common shares in the capital of Fireweed, over three years, of which $200,000 cash and 100,000 common shares of Fireweed have been paid to date. The Company is entitled to receive $150,000 cash and 100,000 common shares of Fireweed under the remaining terms of the option agreement.

Under the terms of the agreement with Fireweed, NSR rights will be retained by the Company and Carlin, consisting of a 0.5% NSR on base metals and silver and a 2.0% NSR on all other metals. An additional payment of $750,000 will be payable to the CCJV members upon Fireweed producing an indicated resource of 2.0 million tonnes on the optioned properties.

5. DUE TO CONSTANTINE METAL RESOURCES LTD.

During the period ended September 30, 2019, the Company received a $20,000 loan from Constantine. The loan is repayable on demand, with no interest or specific terms of repayment.

During the period ended September 30, 2019, the Company owed $22,847 to Constantine for expenses that were paid by Constantine. The debt is repayable on demand, with no interest or specific terms of repayment.

6. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Disclosures on any shares issued are provided in the Statement of Changes in Shareholder's Equity. Common and/or preferred shareholders are entitled to receive dividends if and when declared by the Directors.

On August 2, 2019, the Company issued 15,118,075 common shares valued at $3,508,710 to the shareholders of Constantine pursuant to the Arrangement in relation to the acquisition of various gold assets (Notes 1 and 4).

On August 19, 2019, the Company completed a $200,000 private placement consisting of 1,000,000 units of the Company at a price of $0.20 per unit. Each unit consists of one common share of the Company and one half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one common share at a price of $0.45 for a period of five years from the date of closing of the financing.

On September 18, 2019, the Company completed a $7,650,000 private placement consisting of 17,000,000 units of the Company at a price of 40.45 per unit. Each unit consists of one common share of the Company and one half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one common share at a price of $0.70 for a period of two years from the date of closing of the financing. The Company paid cash finders' fees totaling $321,000 related to this private placement.

Escrow Shares

As at September 30, 2019, a total of 1,036,712 common shares were held in escrow.

Stock Options

Under the Company's stock option plan, the maximum number of shares that may be reserved for issuance is limited to 10% of the issued and outstanding common shares of the Company at any time. Under the plan, the exercise price of an option may not be less than the discounted market price. The options may have a maximum term of 10 years and be vested at the discretion of the board of directors.

On September 16, 2019, the Company granted 1,600,000 stock options to certain directors, officers, employees and/or consultants of the Company with an exercise price of $0.45 expiring in 5 years. These stock options vest over 2 years. The fair value of these options was calculated to be $0.12 per option.

(Expressed in Canadian dollars)

The fair value of stock options granted are estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions made during the period ended September 30, 2019:

	Period ended September 30, 2019
Risk-Free Annual Interest	1.49%
Expected Volatility	98%
Expected Life of Option	5 years
Expected Annual Dividend	0%

Black-Scholes option pricing model require the input of highly subjective assumptions. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models may not necessarily provide a single reliable measure of the fair value.

	Period ended September 30, 2019	
	Number of options	**Weighted average exercise price**
Opening	-	$ -
Granted	**1,600,000**	**$ 0.45**
Ending	**1,600,000**	**$ 0.45**

As at September 30, 2019, the following options are outstanding:

Number of options	**Exercisable**	**Exercise price**	**Expiry date**
1,600,000	533,333	$0.45	September 16, 2024
1,600,000	**533,333**	**$0.45**	

See Note 11(a).

(Expressed in Canadian dollars)

Share Purchase Warrants

	Period ended September 30, 2019	
	Number of warrants	**Weighted average exercise price**
Opening	-	$ -
Issued	**9,000,000**	**$ 0.69**
Ending	**9,000,000**	**$ 0.69**

As at September 30, 2019, the following warrants are outstanding:

Number of warrants	Exercise price	Expiry date
8,500,000	$0.70	September 18, 2021
500,000	0.45	August 19, 2024
9,000,000	**$0.69**	

See Note 11(b).

7. RELATED PARTY TRANSACTION

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described as follows.

a) Compensation of Key Management Personnel

The compensation paid or payable to key management personnel, including consulting and professional fees for administrative, management, accounting, and legal services provided by these related parties, during the period ended September 30, 2019 are as follows:

	September 30, 2019
	$
Management and consulting fees	40,450
Stock-based compensation	59,904
	100,354

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties

(Expressed in Canadian dollars)

b) Related Party Balances

As at September 30, 2019, the Company has the following amounts owed to related parties, included in accounts payable, that are noninterest bearing, unsecured, and have no specified terms of repayment.

	September 30, 2019
	$
Due to officers	28,714
	28,714

8. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at September 30, 2019	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$
Cash and cash equivalents	7,097,271	-
Accounts payable and accrued liabilities	-	1,180,573
Due to Constantine	-	42,847

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Management of Industry and Financial Risk

The Company is exposed to various risks in relation to financial instruments. The Company's risk management is coordinated at its head office in Canada in close cooperation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company has working capital of $5,439,190 as at September 30, 2019. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

c) Foreign exchange risk

The Company operates internationally and is exposed to foreign currency risk arising from currency exposures to Canadian dollars. The main currency to which the Company has an exposure is the U.S. dollar. The Company is exposed to currency risk to the extent of its cash, trade and other payables, purchase agreements payable, and loan payable that are denominated in U.S. dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not hold any assets or liabilities subject to variable interest rates, and as such, the Company is not exposed to significant interest rate risk.

9. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and expansion of its business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company does not pay out dividends in order to conserve cash reserves and to maximize ongoing exploration efforts. The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

(Expressed in Canadian dollars)

10. SEGMENTED INFORMATION

The assets and operations of the Company are located in Canada and the United States.

For the period ended September 30, 2019:

	Canada	United States	TOTAL
	$	$	$
Period ended September 30, 2019			
Net loss	344,387	126	344,513
As at September 30, 2019			
Current assets	6,625,660	536,950	7,162,610
Non-current assets	2,557,731	2,264,927	4,822,658
Total liabilities	636,079	1,087,341	1,723,420

11. SUBSEQUENT EVENTS

a) On November 1, 2019, under the terms of the Arrangement, the Company issued 1,092,892 stock options to Constantine option-holders, which represents one stock option for every three Constantine options held as of the record date of the Arrangement.

b) On November 1, 2019, under terms of the Arrangement, the Company issued 4,901,956 share purchase warrants to Constantine warrant-holders which represents one share purchase warrant for every three Constantine warrants held as of the record date of the Arrangement.

c) On November 8, 2019, the Company announced that it had entered into an agreement with Sprott Capital Partners LP to act as lead underwriter (the "Lead Underwriter"), on its own behalf and, if applicable, on behalf of a syndicate of underwriters (collectively with the Lead Underwriter, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for their own account or arrange for substituted purchasers to purchase on a bought-deal private placement basis $9,304,000 of securities of the Company (the "Offering").

The Offering will consist of a combination of (i) 1,280,000 ($2,304,000) common shares of the Company issued on a flow-through basis, which may be gifted or sold by the initial purchaser (the "FT Shares") at a price of $1.80 per FT Share, and (ii) 5,600,000 ($7,000,000) common shares of the Company (the "Common Shares") at a price of $1.25 per Common Share. The FT Shares and Common Shares shall be collectively referred to as the "Offered Securities".

In addition, the Company has granted the Underwriters an option to increase the size of Offering by up to an additional 20% of the number of Offered Securities, exercisable at any time up to three business days prior to closing of the Offering, on the same terms and conditions under the Offering (the "Underwriters' Option").

In connection with the Offering, the Underwriters will be entitled to a cash fee in an amount equal to 6.0% of the gross proceeds of the Offering, excluding any Offered Securities purchased by subscribers included on a permitted "President's List". A cash fee of 2.0% will be payable with respect to any participation in the Offering by President's List subscribers. The same commission shall be paid to the Underwriters in connection with any Offered Securities sold pursuant to the exercise of the Underwriters' Option.

The Offering has not closed as of the date of this report.