HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT JUNE 30, 2020
FOR THE SIX MONTHS ENDED JUNE 30, 2020
AND FOR THE PERIOD FROM INCEPTION ON APRIL 16, 2019 TO JUNE 30, 2019

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2020 AND DECEMBER 31, 2019

(Expressed in Canadian dollars)
(Unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 10,547,064**	$ 12,601,200
Amounts receivable	**133,299**	101,886
Prepaid expenses	**240,118**	230,244
	10,920,481	12,933,330
Equipment (Note 4)	**48,846**	-
Exploration and evaluation assets (Note 5)	**8,302,057**	6,132,386
	$ 19,271,384	$ 19,065,716
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	**$ 427,269**	$ 434,134
Due to Constantine Metal Resources Ltd. (Note 6)	**-**	211,127
Flow-through premium (Note 7)	**-**	704,000
	427,269	1,349,261
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**19,661,651**	18,743,032
Contributed surplus (Note 7)	**851,139**	298,001
Deficit	**(1,668,675)**	(1,324,578)
	18,844,115	17,716,455
	$ 19,271,384	$ 19,065,716

Subsequent events (Note 12)

Approved on behalf of the Board of Directors of HighGold Mining Inc. on August 25, 2020

'*Aris Morfopoulos*'　　　　'*Darwin Green*'

Director　　　　Director

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

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND
FOR THE PERIOD FROM INCEPTION ON APRIL 16, 2019 TO JUNE 30, 2019

(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020	Period from Inception April 16, 2019 to June 30, 2019
EXPENSES			
Advertising and promotion	$ 20,557	$ 49,962	$ -
Consulting fees (Note 8)	4,000	104,000	-
Filing and transfer agent	33,547	46,901	1,050
Foreign exchange loss	90,708	73,860	-
Insurance	11,461	23,097	-
Office and miscellaneous	23,606	113,970	168
Professional fees	73,302	116,132	-
Rent	10,101	13,468	-
Salaries, wages and benefits (Note 8)	132,029	270,127	-
Share-based compensation (Notes 7 and 8)	82,175	311,541	-
Travel	-	15,670	-
Net loss before other items	**(481,486)**	**(1,138,728)**	**(1,218)**
OTHER ITEMS			
Interest income	35,707	90,631	-
Other income (Note 7)	-	704,000	-
Net loss and comprehensive loss for the period	**$ (445,779)**	**$ (344,097)**	**$ (1,218)**
Basic and diluted loss per share	**$ (0.01)**	**$ (0.01)**	**$ (12.18)**
Weighted average number of common shares outstanding	**40,610,201**	**40,389,280**	**100**

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

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND
FOR THE PERIOD FROM INCEPTION ON APRIL 16, 2019 TO JUNE 30, 2019

(Expressed in Canadian dollars)
(Unaudited)

	Share Capital				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Total**
As at April 16, 2019	100	$ 100	$ -	$ -	$ 100
Net loss for the period	-	-	-	(1,218)	(1,218)
As at June 30, 2019	**100**	**$ 100**	**$ -**	**$ (1,218)**	**$ (1,118)**
Shares cancelled	(100)	(100)	-	-	(100)
Issued pursuant to the plant of arrangement (Notes 1 and 5)	15,118,075	3,300,947	206,682	-	3,507,629
Private placements	24,880,000	17,154,000	-	-	17,154,000
Share issue costs	-	(1,022,252)	-	-	(1,022,252)
Shares issued for options exercised	25,000	14,337	(3,087)	-	11,250
Flow-through premium	-	(704,000)	-	-	(704,000)
Share-based premium	-	-	94,406	-	94,406
Net loss for the period	-	-	-	(1,323,360)	(1,323,360)
As at December 31, 2019	**40,023,075**	**$ 18,743,032**	**$ 298,001**	**$ (1,324,578)**	**$ 17,716,455**
Exercise of stock options	178,744	197,095	(15,144)	-	181,951
Exercise of share purchase warrants	1,019,717	708,333	-	-	708,333
Shares issued for exploration and evaluation assets	15,000	14,250	-	-	14,250
Share issue costs	-	(1,059)	-	-	(1,059)
Share-based compensation	-	-	568,282	-	568,282
Net loss for the period	-	-	-	(344,097)	(344,097)
As at June 30, 2020	**41,236,536**	**$ 19,661,651**	**$ 851,139**	**$ (1,668,675)**	**$ 18,844,115**

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 SIX MONTHS ENDED JUNE 30, 2020 AND
FOR THE PERIOD FROM INCEPTION ON APRIL 16, 2019 TO JUNE 30, 2019

(Expressed in Canadian dollars)
(Unaudited)

	Six Months Ended June 30, 2020	Period from Inception April 16, 2019 to June 30, 2019
OPERATING ACTIVITIES		
Loss for the period	$ (344,097)	$ (1,218)
Adjustments for non-cash items:		
Other income	(704,000)	-
Share-based compensation	311,541	-
Change in non-cash working capital:		
Amounts receivable	(330)	-
Prepaid expenses	(9,874)	-
Accounts payable and accrued liabilities	28,574	-
Due to Constantine Metal Resources Ltd.	(55,269)	-
Cash used in operating activities	**(773,455)**	**(1,218)**
INVESTING ACTIVITIES		
Purchase of equipment	(51,417)	-
Exploration and evaluation expenses	(2,087,406)	-
Cash used in investing activities	**(2,138,823)**	**-**
FINANCING ACTIVITIES		
Common shares issued	-	100
Proceeds from exercise of stock options	150,868	-
Proceeds from exercise of share purchase warrants	708,333	-
Share issue costs	(1,059)	-
Loan received from Constantine Metal Resources Ltd.	-	20,000
Cash provided by financing activities	**858,142**	**20,100**
Increase (Decrease) in cash and cash equivalents	**(2,054,136)**	**18,882**
Cash and cash equivalents, beginning of period	**12,601,200**	**-**
Cash and cash equivalents, end of period	**$ 10,547,064**	**$ 18,882**
Supplemental information with respect to cash flows:		
Exploration and evaluation expenses included in accounts payable	$ 35,439	$ -
Exploration and evaluation expenses repaid to Constantine Metal Resources Ltd.	$ 155,858	$ -
Common shares issued for exploration and evaluation assets	$ 14,250	$ -
Depreciation capitalized to exploration and evaluation assets	$ 2,571	$ -
Share-based compensation capitalized to exploration and evaluation assets	$ 256,741	$ -

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 5), 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 and 4,901,956 warrants of the Company issuable to Constantine warrant-holders.

The mineral property interests acquired from Constantine were measured at fair value and, as the fair value of the Company's equity issued in exchange was not more readily determinable, and given the exploration stage nature of the assets acquired, fair value was based on their current carrying amounts in the accounts of Constantine, as follows:

		AMOUNT
Johnson Tract Property	$	967,668
Munro-Croesus Property		2,099,902
Golden Mile Property		306,751
Golden Perimeter Property		133,307
Yukon claims		1
	$	3,507,629

The consideration recorded by the Company was allocated as follows:

		AMOUNT
Contributed surplus	$	206,682
Share capital		3,300,947
	$	3,507,629

The allocation to Contributed surplus was based on the estimated aggregate fair value of outstanding Constantine options and warrants converted to option and warrants of HighGold. As all such stock options had previously vested to their holders and substantially all holders were not expected to provide future services to HighGold, the related share-based compensation comprised, in substance, a component of the consideration issued for the property interests rather than a current operating expense of HighGold.

The allocation of $3,300,947 to Share capital reflects solely the residual value associated with the difference between the value of the assets acquired from HighGold and the Contributed surplus figure described above.

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” and US Over-the-Counter market under the stock symbol “HGGOF”.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world’s equity markets and the movement of people and goods has become restricted.

As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding (Note 12).

The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of mineral property impairment and going concern uncertainty. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the period from inception on April 16, 2019 to December 31, 2019, which have been prepared in accordance with IFRS issued by the IASB.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued as at August 25, 2020, the date the Board of Directors of the Company approved these financial statements.

b) Basis of consolidation

These condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared on a historical cost basis except for the initial measurement of the Arrangement as described in Note 1 and financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency of Epica and JT Mining is also the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation on assets directly used for exploration and evaluation is capitalized to exploration and evaluation assets. All other depreciation is charged to earnings. Assets under construction are not depreciated until available for their intended use.

Depreciation is charged over the estimated useful lives using the declining balance method of 20% per annum for equipment, except in the year of acquisition when one-half of the rate is used.

b) 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 the inputs to the Black Scholes option pricing model, and any required provisions for closure and reclamation.

- A significant judgment made involved the determination that the best representation of fair value in respect to the mineral property interests acquired from Constantine, upon completion of the Arrangement, was their related deferred carrying amounts in the accounts of Constantine.

- Judgment was also involved in the determination that the Company and its wholly-owned subsidiaries shared a common functional currency.

c) Accounting Standards Adopted, or Issued but not yet Effective

The Company adopted no material new accounting standards during its current fiscal year, and is unaware of any applicable, but not-yet-adopted standards that are expected to materially affect the financial statements of future periods.

(Expressed in Canadian dollars)

4. EQUIPMENT

Cost	
Opening balance, April 16, 2019 and December 31, 2019	$ -
Additions	51,417
Ending balance, June 30, 2020	$ 51,417
Accumulated Depreciation	
Opening balance, April 16, 2019 and December 31, 2019	$ -
Depreciation	2,571
Ending balance, June 30, 2020	$ 2,571
Net Book Value	
Balance, December 31, 2019	$ -
Balance, June 30, 2020	**$ 48,846**

5. EXPLORATION AND EVALUATION ASSETS

	Balance April 16, 2019	Fiscal 2019 Expenditures	Balance December 31, 2019	Fiscal 2020 Expenditures	Balance June 30, 2020
Johnson Tract Property, Alaska, USA					
Acquisition from Constantine	$ -	$ 967,668	$ 967,668	$ -	$ 967,668
Acquisition costs	-	17,902	17,902	-	17,902
Administration	-	26,775	26,775	7,089	33,864
Assaying and testing	-	101,081	101,081	-	101,081
Camp costs and field support	-	372,886	372,886	128,276	501,162
Community relations and advocacy	-	5,504	5,504	6,547	12,051
Depreciation	-	-	-	2,571	2,571
Drilling	-	605,834	605,834	360,093	965,927
Environmental	-	2,685	2,685	11,095	13,780
Geology and project management	-	366,369	366,369	285,614	651,983
Geophysics	-	2,380	2,380	7,459	9,839
Permitting	-	-	-	23,565	23,565
Share-based compensation	-	-	-	180,177	180,177
Technical consulting and engineering	-	6,863	6,863	38,490	45,353
Transportation	-	720,362	720,362	135,611	855,973
	$ -	$ 3,196,309	$ 3,196,309	$ 1,186,587	$ 4,382,896

HIGHGOLD MINING INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND
FOR THE PERIOD FROM INCEPTION ON APRIL 16, 2019 TO JUNE 30, 2019

(Expressed in Canadian dollars)
(Unaudited)

	Balance April 16, 2019	Fiscal 2019 Expenditures	Balance December 31, 2019	Fiscal 2020 Expenditures	Balance June 30, 2020
Munro-Croesus Property, Ontario, Canada					
Acquisition from Constantine	$ -	$ 2,099,902	$ 2,099,902	$ -	$ 2,099,902
Acquisition costs	-	-	-	72,525	72,525
Administration	-	34,306	34,306	503	34,809
Assaying and testing	-	12,251	12,251	9,726	21,977
Camp costs and field support	-	515	515	13,565	14,080
Community relations and advocacy	-	5,020	5,020	8,700	13,720
Drilling	-	-	-	118,196	118,196
Geology and project management	-	12,821	12,821	68,965	81,786
Geophysics	-	1,696	1,696	-	1,696
Property maintenance	-	-	-	212	212
Share-based compensation	-	-	-	32,378	32,378
Transportation	-	7,966	7,966	19,032	26,998
	$ -	$ 2,174,477	$ 2,174,477	$ 343,802	$ 2,518,279
Golden Mile Property, Ontario, Canada					
Acquisition from Constantine	$ -	$ 306,751	$ 306,751	$ -	$ 306,751
Acquisition costs	-	1,500	1,500	-	1,500
Administration	-	21,282	21,282	447	21,729
Advance royalty payments	-	10,000	10,000	-	10,000
Assaying and testing	-	-	-	278	278
Camp costs and field support	-	959	959	1,662	2,621
Community relations and advocacy	-	-	-	7,787	7,787
Drilling	-	3,320	3,320	1,703	5,023
Geology and project management	-	19,342	19,342	32,494	51,836
Geophysics	-	1,696	1,696	-	1,696
Share-based compensation	-	-	-	18,908	18,908
Transportation	-	2,001	2,001	8,982	10,983
	$ -	$ 366,851	$ 366,851	$ 72,261	$ 439,112
Golden Perimeter Property, Ontario, Canada					
Acquisition from Constantine	$ -	$ 133,307	$ 133,307	$ -	$ 133,307
Acquisition costs	-	-	-	14,250	14,250
Administration	-	54,853	54,853	447	55,300
Advance royalty payments	-	10,000	10,000	-	10,000
Assaying and testing	-	37,112	37,112	61,781	98,893
Camp costs and field support	-	29,364	29,364	21,058	50,422
Community relations and advocacy	-	677	677	7,698	8,375
Drilling	-	3,320	3,320	192,965	196,285
Geology and project management	-	10,839	10,839	127,433	138,272
Geophysics	-	71,286	71,286	95,912	167,198
Share-based compensation	-	-	-	25,278	25,278
Technical consulting and engineering	-	3,428	3,428	-	3,428
Transportation	-	29,162	29,162	17,088	46,250
	$ -	$ 383,348	$ 383,348	$ 563,910	$ 947,258

(Expressed in Canadian dollars)

	Balance April 16, 2019	Fiscal 2019 Expenditures	Balance December 31, 2019	Fiscal 2020 Expenditures	Balance June 30, 2020
Yukon, Canada					
Acquisition from Constantine	$ -	$ 1	$ 1	$ -	$ 1
Administration	-	11,034	11,034	2,218	13,252
Geology and project management	-	366	366	893	1,259
	$ -	$ 11,401	$ 11,401	$ 3,111	$ 14,512
Total	**$ -**	**$ 6,132,386**	**$ 6,132,386**	**$ 2,169,671**	**$ 8,302,057**

The following properties were acquired from Constantine pursuant to the Arrangement dated June 24, 2019. As such, all underlying agreements with respect to these properties were 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 cash payment of US$50,000 due on signing of the Agreement (paid by Constantine), a 10-year lease with a renewal option, and annual lease payments of US$75,000 for years one through five, escalating to US$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 (to May 2029), inclusive of at least US$7.5 million within the first 6 years (to May 2025) of which US$2,422,081 has been incurred. 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 US$150,000 per year (inflation adjusted) and completing an additional US$10 million in expenditures. The lease rights are subject to CIRI’s “back-in” right to acquire a 15-25% interest in the lease rights, which would then require CIRI to fund its portion of the project’s production development costs. The Agreement also includes net smelter returns (“NSR”) royalties payable to CIRI of 2-3% on the base metals and a gold NSR ranging from 2.5% to 4.0%, depending on the price of gold at the time.

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 June 30, 2020, 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 acquisition of 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 ($20,000 paid) and issue 100,000 of its shares over the remaining three year period of the agreement (issued 15,000 common shares valued at $14,250 (Note 7)). 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 production 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 Constantine and Carlin. Subsequent to the six months ended June 30, 2020, the remaining terms of the option agreement was amended from the Company being entitled to receive $150,000 cash and 100,000 common shares of Fireweed to no cash payments and 350,000 common shares of Fireweed (Note 12).

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 reporting an indicated resource of at least 2.0 million tonnes on the optioned properties.

6. DUE TO CONSTANTINE METAL RESOURCES LTD.

At December 31, 2019, the Company owed $211,127 to Constantine for Company expenditures that were paid by Constantine on behalf of the Company. The debt was repayable on demand, with no interest or specific terms of repayment.

During the six months ended June 30, 2020, the Company repaid the amounts owing to Constantine in full.

7. 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 Statements of Changes in Shareholders' 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 $3,300,947 to the shareholders of Constantine pursuant to the Arrangement in relation to the acquisition of various gold assets (Notes 1 and 5). A total of 165,791 of these shares were escrowed at the date of issuance, subject to the standard escrow policies of the TSX Venture Exchange regarding shares issued to directors and officers.

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 per share until August 19, 2024. All of these shares were escrowed at the date of issuance, subject to the standard escrow policies of the TSX Venture Exchange regarding shares issued to directors and officers.

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 $0.45 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 per share until September 18, 2021. The Company paid cash finders' fees totaling $321,000 and share issue costs of $13,399 related to this private placement.

On December 5, 2019, the Company completed a $9,304,000 private placement consisting of a combination of (i) 1,280,000 common shares of the Company issued on a flow-through basis ("FT Share") at a price of $1.80 per FT Share for gross proceeds of $2,304,000, and (ii) 5,600,000 common shares of the Company (the "NFT Share") at a price of $1.25 per NFT Share for gross proceeds of $7,000,000. The flow-through liability associated with these issuances using the residual method was $704,000. During the six months ended June 30, 2020, the Company recognized a recovery of the flow-through liability as other income upon renouncement of the expenses. The Company paid share issue costs of $687,853 in connection with this private placement.

On December 6, 2019, the Company issued 25,000 common shares on the exercise of stock options for $0.45 per share for total proceeds of $11,250.

On April 17, 2020, the Company issued 15,000 common shares valued at $14,250 related to the acquisition of the Golden Perimeter property (Note 5).

During the six months ended June 30, 2020, an aggregate of 178,744 stock options of the Company were exercised resulting in the issuance of 178,744 common shares of the Company for total cash proceeds of $181,951. At June 30, 2020, subscription receivable of $31,083 included in amounts receivable was received subsequent to the six months ended June 30, 2020 (Note 12).

During the six months ended June 30, 2020, an aggregate of 1,019,717 share purchase warrants of the Company were exercised resulting in the issuance of 1,019,717 common shares of the Company for total cash proceeds of $708,333.

Escrow Shares

Under the terms of the escrow policies of the TSX Venture Exchange, all of the 1,040,791 shares issued to directors and officers of the Company before it was listed on the TSX Venture Exchange were escrowed upon issuance. On September 19, 2019, 10% of the escrowed shares were released. The remaining 90% will be released over three years, on the basis of 15% every six months following the first release date. As at June 30, 2020, a total of 780,593 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)

On November 1, 2019, under the terms of the Arrangement, the Company issued 1,092,892 stock options at exercise prices ranging from $0.86 to $1.59 per share to Constantine option-holders, which represents one stock option for every three Constantine options held as of the record date of the Arrangement. The weighted average fair value of these options was calculated to be $0.05 per option.

On March 3, 2020, the Company granted 1,330,000 stock options to certain directors, officers, employees and/or consultants of the Company with an exercise price of $1.00 expiring in 5 years. A total of 130,000 stock options vest immediately and the remaining 1,200,000 stock options vest over 2 years. The fair value of these options was calculated to be $0.72 per option.

The weighted average 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 six months ended June 30, 2020 and period ended December 31, 2019:

	Six months ended June 30, 2020	**Period ended December 31, 2019**
Risk-Free Annual Interest	0.90%	1.53%
Expected Volatility	96.20%	90.68%
Expected Life of Option	5.00 years	3.12 years
Expected Annual Dividend	0%	0%

During the six months ended June 30, 2020, the Company recognized share-based compensation in administrative expenses and capitalized to exploration and evaluation assets in the amount of $311,541 and $256,741, respectively.

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.

	Six months ended June 30, 2020		**Period ended December 31, 2019**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Opening	2,667,892	$ 0.74	-	$ -
Granted	1,330,000	$ 1.00	2,692,892	$ 0.74
Exercised	(178,744)	$ 1.02	(25,000)	$ 0.45
Expired/cancelled	(206,245)	$ 1.21	-	$ -
Ending	**3,612,903**	**$ 0.80**	**2,667,892**	**$ 0.74**

(Expressed in Canadian dollars)

As at June 30, 2020, the following options are outstanding:

Number of options	Exercisable	Exercise price	Expiry date
127,080	127,080	$0.86	June 30, 2021
145,829	145,829	$1.37	June 2, 2022
25,000	25,000	$1.59	February 5, 2023
58,333	58,333	$1.46	June 6, 2023
58,333	58,333	$0.94	December 24, 2023
311,662	311,662	$1.16	June 14, 2024
1,566,666	499,999	$0.45	September 16, 2024
1,320,000	520,000	$1.00	March 3, 2025
3,612,903	**1,746,236**		

Share Purchase Warrants

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. The weighted average fair value of these warrants was calculated to be $0.03 per warrant.

	Six months ended June 30, 2020		Period ended December 31, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Opening	13,901,956	$ 1.20	-	$ -
Issued	-	$ -	13,901,956	$ 1.20
Exercised	(1,019,717)	$ 0.69	-	$ -
Ending	**12,882,239**	**$ 1.24**	**13,901,956**	**$ 1.20**

As at June 30, 2020, the following warrants are outstanding:

Number of warrants	Exercise price	Expiry date
7,502,158	$0.70	September 18, 2021
478,125	$0.45	August 19, 2024
4,114,000	$2.15	May 29, 2023
787,956	$2.15	July 19, 2023
12,882,239		

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

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, and salaries, wages and benefits and share-based compensation provided by these related parties, during the six months ended June 30, 2020 and period ended June 30, 2019 are as follows:

	Six months ended June 30, 2020 $	**Period ended June 30, 2019 $**
Capitalized fees to exploration and evaluation assets	260,168	-
Management and consulting fees	100,000	-
Salaries, wages and benefits	258,000	-
Share-based compensation	297,230	-
	915,398	-

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

b) Related Party Balances

As at June 30, 2020, 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.

	June 30, 2020 $	**December 31, 2019 $**
Due to Vice President of Investor Relations	-	8,028
	-	8,028

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at June 30, 2020	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$
Cash and cash equivalents	10,547,064	-
Amounts receivable	58,546	-
Accounts payable and accrued liabilities	-	427,269

As at December 31, 2019	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$
Cash and cash equivalents	12,601,200	-
Amounts receivable	34,254	-
Accounts payable and accrued liabilities	-	434,134
Due to Constantine	-	211,127

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 fulfil 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. As at June 30, 2020, the Company has working capital of $10,493,212 (December 31, 2019 - $11,584,069). 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 and trade and other payables that are denominated in U.S. dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates.

Based on the Company's net US currency exposure as at June 30, 2020, and assuming all other variables remain constant, a 15% weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $405,000 in comprehensive income/loss for the period.

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.

10. 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

(Expressed in Canadian dollars)

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.

The Company is not subject to externally imposed capital requirements as at June 30, 2020 except when the Company issues flow-through shares for which the amount should be used for exploration work. On December 5, 2019, the Company completed a flow-through private placement totalling $2,304,000. As at June 30, 2020, the Company incurred $948,634 (December 31, 2019 - $128,889) in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of $1,355,366 (December 31, 2019 - $2,175,111) in exploration and evaluation expenditures no later than December 31, 2020.

11. SEGMENTED INFORMATION

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

	Canada	United States	TOTAL
	$	$	$
Six months ended June 30, 2020			
Net loss	239,964	104,133	344,097
As at June 30, 2020			
Current assets	9,813,992	1,106,489	10,920,481
Non-current assets	3,919,162	4,431,741	8,350,903
Total liabilities	192,253	235,016	427,269

	Canada	United States	TOTAL
	$	$	$
Period from inception on April 16, 2019 to June 30, 2019			
Net loss	1,218	-	1,218
As at December 31, 2019			
Current assets	12,423,354	509,976	12,933,330
Non-current assets	2,936,077	3,196,309	6,132,386
Total liabilities	990,041	359,220	1,349,261

12. SUBSEQUENT EVENTS

In June 2020, the Company entered into three separate agreements with arm's length vendors to acquire an aggregate of 38 patented mining claims, three single cell mining claims, one boundary cell mining claim and four mining leases (the "Property") which surrounds and immediately adjoins the Company's Munro-Croesus Property. In consideration, the Company will issue an aggregate of 200,000 common shares and make cash payments in the aggregate amount of $475,000. Pursuant to the terms of the agreements, the Property is subject to certain net smelter returns royalties, a portion of which royalties may be purchased back by the Company, and an offtake right on base metal concentrates from a portion of the Property.

On July 28, 2020, the Company completed a $13,800,167 bought deal offering consisting of 7,976,975 common shares of the Company at a price of $1.73 per share. In connection with the offering, the Company issued an additional 446,500 common shares of the Company at a price of $1.73 per share for proceeds of $772,445 to an existing shareholder pursuant to the shareholder's election to exercise its participation right under an investor rights agreement.

Subsequent to the six months ended June 30, 2020, the Company received $31,083 related to issuing 26,666 common shares pursuant to the exercise of 26,666 stock options (Note 7).

Subsequent to the six months ended June 30, 2020, the Company issued an aggregate of 55,832 common shares upon the exercise of 55,832 stock options, for cash proceeds of $60,665.

Subsequent to the six months ended June 30, 2020, the Company issued an aggregate of 566,444 common shares upon the exercise of 566,444 warrants, for cash proceeds of $396,511.

Subsequent to the six months ended June 30, 2020, the remaining terms of the option agreement with Fireweed on the Yukon Land Position and Joint Venture was amended from the Company being entitled to receive $150,000 cash and 100,000 common shares of Fireweed to no cash payments and 350,000 common shares of Fireweed (Note 5).