



HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT MARCH 31, 2022
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

**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 MARCH 31, 2022 AND DECEMBER 31, 2021**

(Expressed in Canadian dollars)

(Unaudited)

	March 31, 2022	December 31, 2021
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 19,931,418	\$ 22,804,851
Amounts receivable	411,919	207,917
Prepaid expenses and deposits	383,248	422,849
Marketable securities (Note 4)	189,000	347,400
	20,915,585	23,783,017
Equipment (Note 5)	109,070	114,810
Exploration and evaluation assets (Note 6)	40,564,872	37,828,862
	\$ 61,589,527	\$ 61,726,689
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 450,693	\$ 363,068
	450,693	363,068
<u>SHAREHOLDERS' EQUITY</u>		
Share capital (Note 7)	63,139,804	63,139,804
Contributed surplus (Note 7)	2,544,885	2,311,974
Deficit	(4,545,855)	(4,088,157)
	61,138,834	61,363,621
	\$ 61,589,527	\$ 61,726,689

Subsequent event (Note 13)**Approved on behalf of the Board of Directors of HighGold Mining Inc. on May 19, 2022***'Michael Cinnamon'*

Director

'Darwin Green'

Director

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

HIGHGOLD MINING INC.
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)
(Unaudited)

	March 31, 2022	March 31, 2021
EXPENSES		
Advertising and promotion	\$ 24,342	\$ 34,585
Consulting fees (Note 8)	28,000	11,538
Filing and transfer agent	30,776	34,108
Foreign exchange loss	40,182	23,469
Insurance	26,041	16,690
Office and miscellaneous	32,046	21,127
Professional fees	32,868	34,605
Rent	10,090	10,101
Salaries, wages and benefits (Note 8)	139,111	102,240
Share-based compensation (Notes 7 and 8)	134,756	48,959
Net loss before other items	(498,212)	(337,422)
OTHER ITEMS		
General exploration expenses	-	(14,540)
Interest income	16,209	18,182
Flow-through recovery (Note 7)	-	129,500
Gain (loss) on marketable securities (Note 4)	24,305	(112,000)
Net loss and comprehensive loss	\$ (457,698)	\$ (316,280)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		
Basic and diluted	73,020,210	54,809,959

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 THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)
(Unaudited)

	Share Capital			Contributed surplus	Deficit	Total
	Number of shares	Amount				
As at December 31, 2020	54,601,128	\$ 40,421,489	\$ 1,066,392	\$ (2,063,377)	\$ 39,424,504	
Exercise of stock options	15,000	25,733	(10,733)	-	15,000	
Exercise of share purchase warrants	310,100	217,070	-	-	217,070	
Shares issued for exploration and evaluation assets	60,000	97,800	-	-	97,800	
Share-based compensation	-	-	94,022	-	94,022	
Net loss for the period	-	-	-	(316,280)	(316,280)	
As at March 31, 2021	54,986,228	\$ 40,762,092	\$ 1,149,681	\$ (2,379,657)	\$ 39,532,116	
Private placement	11,750,000	18,800,000	-	-	18,800,000	
Exercise of stock options	397,498	270,810	(43,729)	-	227,081	
Exercise of share purchase warrants	5,499,252	3,828,538	-	-	3,828,538	
Shares issued for exploration and evaluation assets	387,232	516,639	-	-	516,639	
Share issue costs	-	(1,038,275)	-	-	(1,038,275)	
Share-based compensation	-	-	1,206,022	-	1,206,022	
Net loss for the period	-	-	-	(1,708,500)	(1,708,500)	
As at December 31, 2021	73,020,210	\$ 63,139,804	\$ 2,311,974	\$ (4,088,157)	\$ 61,363,621	
Share-based compensation	-	-	232,911	-	232,911	
Net loss for the period	-	-	-	(457,698)	(457,698)	
As at March 31, 2022	73,020,210	\$ 63,139,804	\$ 2,544,885	\$ (4,545,855)	\$ 61,138,834	

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

HIGHGOLD MINING INC.
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)

(Unaudited)

	March 31, 2022	March 31, 2021
OPERATING ACTIVITIES		
Net loss	\$ (457,698)	\$ (316,280)
Adjustments for non-cash items:		
Flow-through recovery	-	(129,500)
Share-based compensation	134,756	48,959
Loss (gain) on marketable securities	(24,305)	112,000
Change in non-cash working capital:		
Amounts receivable	(204,002)	(52,916)
Prepaid expenses and deposits	39,601	(66,403)
Accounts payable and accrued liabilities	16,171	(237,654)
Cash used in operating activities	(495,477)	(641,794)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	182,705	-
Exploration and evaluation costs	(2,560,661)	(1,350,707)
Cash used in investing activities	(2,377,956)	(1,350,707)
FINANCING ACTIVITIES		
Proceeds from exercise of stock options	-	15,000
Proceeds from exercise of share purchase warrants	-	217,070
Cash provided by financing activities	-	232,070
Decrease in cash and cash equivalents	(2,873,433)	(1,760,431)
Cash and cash equivalents, beginning of period	22,804,851	17,946,613
Cash and cash equivalents, end of period	\$ 19,931,418	\$ 16,186,182
Supplemental information with respect to cash flows:		
Exploration and evaluation expenses included in accounts payable	\$ 342,272	\$ 232,085
Common shares issued for exploration and evaluation assets	\$ -	\$ 97,800
Depreciation capitalized to exploration and evaluation assets	\$ 5,740	\$ 2,314
Share-based compensation capitalized to exploration and evaluation assets	\$ 98,155	\$ 45,063

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

HIGHGOLD MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)
(Unaudited)

1. CORPORATE INFORMATION

HighGold Mining Inc. (the 'Company' or 'HighGold') was incorporated on April 16, 2019 under the laws of British Columbia as a wholly-owned subsidiary of Constantine Metal Resources Ltd. ("Constantine"). A Plan of Arrangement was completed in 2019, whereby the net gold property assets of Constantine were spun-out to HighGold and the Company was listed on the TSX Venture Exchange. (TSXV: HIGH). The Company also trades under the symbol HGGOF on the US Over-the-Counter market.

The address of the Company's corporate office and its principal place of business is 320 - 800 West Pender Street, Vancouver, BC, V6C 2V6.

Coronavirus Global Pandemic Risk

Over the past eighteen months, the effects of the COVID-19 global pandemic on industry and commerce have been far-reaching. To date there have been significant fluctuations in the global economy and equity markets, and the movement of people and goods has experienced significant restrictions.

The Company's ability to fund ongoing operations and exploration is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company over the past year was not materially significant, 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 going concern uncertainty.

As the Company does not have production activities, its capacity to fund ongoing exploration is affected by the availability of equity financing on terms which are acceptable to it. The ability of the Company to realize the carrying values of its deferred property costs will also depend on its ability to develop an economically feasible project or projects and to ultimately achieve commercial production on that basis, or to profitably dispose of such interests to other parties. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding.

The mineral exploration sector in general involves significant levels of inherent business risk and is subject to multiple variables which are not controllable by the Company, such as commodity prices and matters related to land access and use. 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.

HIGHGOLD MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 year ended December 31, 2021, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS issued as at May 19, 2022, the date the Board of Directors of the Company approved these financial statements. They are consistent with the policies applied to the preparation of the annual financial statements and are disclosed in detail therein.

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 financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated 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.

d) 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.

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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- 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.

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

The Company adopted no material new accounting standards during the 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.

4. MARKETABLE SECURITIES

During the year ended December 31, 2020, the Company received 400,000 shares of Fireweed Zinc Ltd. valued at \$365,250 related to the sale of three properties in the Mac Pass area, Yukon (Note 6). The Company sold 50,000 shares of Fireweed for proceeds of \$59,850 resulting in a gain of \$14,194 during the year ended December 31, 2020. The Company sold an additional 80,000 shares of Fireweed for proceeds of \$69,950 resulting in a loss of \$3,100 during the year ended December 31, 2021. As at March 31, 2022, the fair value of the 270,000 (December 31, 2021 – 270,000) shares was \$189,000 (December 31, 2021 - \$167,400) resulting in an unrealized gain of \$21,600 (2021 – loss of \$112,000) for the three months ended March 31, 2022.

During the year ended December 31, 2021, the Company received 250,000 shares of Snowline Gold Corp. valued at \$125,000 related to the sale of mining claims in the Mayo mining district, Yukon (Note 6). The Company sold 250,000 shares of Snowline Gold Corp. for total proceeds of \$182,705 resulting in a gain of \$57,705 during the three months ended March 31, 2022 (2021 - Nil).

	Fireweed	Snowline	Total
Opening balance, December 31, 2020	\$ 378,000	\$ -	\$ 378,000
Addition	-	125,000	125,000
Disposal	(73,050)	-	(73,050)
Unrealized gain (loss)	(137,550)	55,000	(82,550)
Ending balance, December 31, 2021	167,400	180,000	347,400
Disposal	-	(125,000)	(125,000)
Reclassification of unrealized gain on disposal	-	(55,000)	(55,000)
Unrealized gain	21,600	-	21,600
Ending balance, March 31, 2022	\$ 189,000	\$ -	\$ 189,000

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

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5. EQUIPMENT
Cost

Opening balance, December 31, 2020	\$ 51,417
Additions	86,433
Ending balance, December 31, 2021 and March 31, 2022	\$ 137,850

Accumulated Depreciation

Opening balance, December 31, 2020	\$ 5,142
Depreciation	17,898
Ending balance, December 31, 2021	23,040
Depreciation	5,740
Ending balance, March 31, 2022	\$ 28,780

Net Book Value

Balance, December 31, 2021	\$ 114,810
Balance, March 31, 2022	\$ 109,070

6. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2020	Fiscal 2021 Expenditures	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance March 31, 2022
Johnson Tract Property, Alaska, USA					
Acquisition from Constantine	\$ 967,668	\$ -	\$ 967,668	\$ -	\$ 967,668
Subsequent acquisition costs	105,415	94,013	199,428	-	199,428
Administration	245,720	150,084	395,804	35,550	431,354
Assaying and testing	373,794	747,544	1,121,338	98,918	1,220,256
Camp costs and field support	1,330,673	1,306,005	2,636,678	56,835	2,693,513
Community relations and advocacy	16,565	19,312	35,877	924	36,801
Depreciation	5,142	17,898	23,040	5,740	28,780
Drilling	5,632,149	4,982,872	10,615,021	3,632	10,618,653
Environmental	34,552	95,284	129,836	711	130,547
Geology and project management	1,708,724	1,406,970	3,115,694	214,444	3,330,138
Geophysics	245,042	449,794	694,836	-	694,836
Permitting	82,998	12,027	95,025	209	95,234
Share-based compensation	274,440	351,029	625,469	61,219	686,688
Technical consulting and engineering	96,154	57,576	153,730	17,890	171,620
Transportation	2,745,049	3,156,312	5,901,361	251	5,901,612
	\$ 13,864,085	\$ 12,846,720	\$ 26,710,805	\$ 496,323	\$ 27,207,128

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)
(Unaudited)

	Balance December 31, 2020	Fiscal 2021 Expenditures	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance March 31, 2022
Munro-Croesus Property, Ontario, Canada					
Acquisition from Constantine	\$ 2,099,902	\$ -	\$ 2,099,902	\$ -	\$ 2,099,902
Subsequent acquisition costs	1,953,884	1,163,795	3,117,679	36,598	3,154,277
Administration	94,811	39,415	134,226	13,542	147,768
Assaying and testing	155,113	89,760	244,873	401,307	646,180
Camp costs and field support	41,805	42,315	84,120	44,672	128,792
Community relations and advocacy	28,763	217,332	246,095	7,571	253,666
Drilling	557,281	719,367	1,276,648	1,039,827	2,316,475
Geology and project management	292,526	564,316	856,842	234,658	1,091,500
Geophysics	166,592	68,479	235,071	258,350	493,421
Property maintenance	7,168	14,739	21,907	8,405	30,312
Share-based compensation	85,502	141,648	227,150	30,432	257,582
Technical consulting and engineering	-	15,667	15,667	-	15,667
Transportation	49,167	43,814	92,981	53,187	146,168
	\$ 5,532,514	\$ 3,120,647	\$ 8,653,161	\$ 2,128,549	\$ 10,781,710
Golden Mile Property, Ontario, Canada					
Acquisition from Constantine	\$ 306,751	\$ -	\$ 306,751	\$ -	\$ 306,751
Subsequent acquisition costs	1,500	800	2,300	7,000	9,300
Administration	41,766	13,544	55,310	4,366	59,676
Advance royalty payments	20,000	10,000	30,000	-	30,000
Assaying and testing	41,628	1,514	43,142	-	43,142
Camp costs and field support	6,549	6,971	13,520	-	13,520
Community relations and advocacy	24,830	92,572	117,402	-	117,402
Drilling	168,443	-	168,443	-	168,443
Geology and project management	73,499	61,384	134,883	6,931	141,814
Geophysics	1,696	-	1,696	-	1,696
Share-based compensation	26,283	28,077	54,360	3,252	57,612
Transportation	13,202	-	13,202	-	13,202
	\$ 726,147	\$ 214,862	\$ 941,009	\$ 21,549	\$ 962,558
Golden Perimeter Property, Ontario, Canada					
Acquisition from Constantine	\$ 133,307	\$ -	\$ 133,307	\$ -	\$ 133,307
Subsequent acquisition costs	64,450	50,200	114,650	75,040	189,690
Administration	75,337	13,544	88,881	4,366	93,247
Assaying and testing	104,036	1,514	105,550	-	105,550
Camp costs and field support	66,288	140	66,428	-	66,428
Community relations and advocacy	22,918	100,178	123,096	-	123,096
Drilling	217,906	-	217,906	-	217,906
Geology and project management	200,222	90,024	290,246	6,931	297,177
Geophysics	260,610	-	260,610	-	260,610
Share-based compensation	37,730	27,409	65,139	3,252	68,391
Technical consulting and engineering	3,428	-	3,428	-	3,428
Transportation	54,645	-	54,645	-	54,645
	\$ 1,240,877	\$ 283,009	\$ 1,523,886	\$ 89,589	\$ 1,613,475

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in Canadian dollars)
(Unaudited)

	Balance December 31, 2020	Fiscal 2021 Expenditures	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance March 31, 2022
Yukon, Canada					
Acquisition from Constantine	\$ 1	\$ -	\$ 1	\$ -	\$ 1
Administration	15,534	2,935	18,469	-	18,469
Geology and project management	3,547	111	3,658	-	3,658
Cost recoveries	(17,021)	(5,106)	(22,127)	-	(22,127)
	\$ 2,061	\$ (2,060)	\$ 1	\$ -	\$ 1
Total	\$ 21,365,684	\$ 16,463,178	\$ 37,828,862	\$ 2,736,010	\$ 40,564,872

The Johnson Tract Property, Munro-Croesus Property, Golden Mile Property, Golden Perimeter Property and Yukon Land Position and Joint Venture 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 provide for an initial 10-year lease (the “Initial Term”) with a renewal option. During the Initial Term the Company is required to make a cash payment of US\$50,000 due on signing of the Agreement (paid), incur US\$10 million in expenditures (incurred) and make annual lease payments of US\$75,000 for years one through five, escalating to US\$150,000 from year six onwards. 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 incurring an additional US\$10 million in expenditures. The lease rights are subject to certain back-in rights by CIRI, pursuant to which, upon a construction decision CIRI has the one-time option to acquire up to a 25% participating interest in the project. Upon exercise of the back-in, a joint venture would be formed for the development, construction and operation of a mine on the property in which the Company and CIRI would each contribute pro-rata to any such expenditures. No cash payments are required for CIRI to exercise its option. The one-time right is exercisable upon completion of a feasibility study and a decision to construct a mine. The Agreement also includes net smelter return (“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. The original Munro-Croesus property consists of 15 patented mining claims and leases and two staked claims subject to 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.

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FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

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(Unaudited)

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") contiguous to the Company's Munro-Croesus Property. To acquire the Property the Company issued an aggregate of 200,000 common shares valued at \$396,000 and made aggregate cash payments of \$475,000. Pursuant to the terms of the agreements, the Property is subject to certain NSR royalties, a portion of which may be repurchased by the Company, and an offtake right on base metal concentrates from a portion of the Property.

Between October and December 2020, the Company entered into three additional agreements with various arm's length vendors to acquire an aggregate of 12 patented mining claims, one leasehold property consisting of 16 mining claims, one mining licence of occupation, 13 single cell mining claims, and three boundary cell mining claims (collectively, the "Properties") that are contiguous to the Company's Munro-Croesus Property. The acquired Properties are subject to certain NSR royalties, a portion of which may be repurchased by the Company. To acquire the properties the Company made aggregate cash payments totaling \$100,000 and issued an aggregate of 424,976 common shares of the Company valued at \$740,884.

During the year ended December 31, 2021, the Company acquired three mineral properties contiguous to the Munro-Croesus Property. The Company entered into three separate agreements with arm's length vendors to acquire an aggregate of 12 single-cell mining claims, three patented mining claims and one leasehold property consisting of four mining claims (the "Acquired Properties"). In consideration, the Company has agreed to make cash payments in the aggregate amounts of \$200,000 (paid) and USD\$150,000 (paid), and to issue an aggregate of 60,000 common shares of the Company to the vendors (issued and valued at \$97,800) (Note 7). Pursuant to the agreements, the Acquired Properties are subject to certain NSR royalties, a portion of which may be repurchased by the Company.

On August 27, 2021, the Company entered into a purchase and sale agreement to acquire certain mining claims located contiguous to the Company's Munro-Croesus Property. In consideration, the Company has agreed to make a cash payment of \$150,000 (paid) and to issue 153,846 common shares of the Company (valued at \$169,231) (Note 7). There is a 2% NSR payable on the property, of which 1% can be purchased by the Company at any time for \$2,000,000 and the remaining 1% can be purchased for US\$3,000,000 by the Company at any time once the spot price of gold exceeds US\$3,000 per ounce on the London Metal Exchange.

On October 28, 2021, the Company announced that it had entered into an agreement to acquire an aggregate of 10 single-cell mining claims and 14 boundary cell mining claims totalling approximately 2.7 km² (269 ha) in the Timmins region, Ontario. In consideration of the acquisition, the Company agreed to make a cash payment in the amount of \$50,000 (paid) and to issue 100,000 common shares of the Company (issued and valued at \$153,000) (Note 7) to the vendors. Pursuant to the agreements, the property is subject to certain NSR royalties, portions of which may be purchased back by the Company.

On December 13, 2021, the Company issued 38,760 common shares valued at \$50,776 related to an exploration agreement on the Munro-Croesus property (Note 7).

HIGHGOLD MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)
(Unaudited)

On December 14, 2021, the Company entered into an agreement to acquire an aggregate of 57 mining claims in the Timmins region, Ontario. To acquire the property the Company agreed to make a cash payment of \$80,000 (paid) to the vendors. Pursuant to the agreement, the property are subject to certain NSR royalties, portions of which may be repurchased by the Company.

During the three months ended March 31, 2022, the Company entered into 3 agreements to acquire 31 unpatented claims and two patented claims located near the Company's Munro-Croesus property for cash payments in aggregate of \$157,000. Certain of the claims are subject to NSR royalty agreements, portions of which may be repurchased by the Company.

c) Golden Mile Property

The Company owns 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 previous owners 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.

On July 8, 2021, the Company issued 37,313 common shares valued at \$56,716 related to an exploration agreement on the Golden Mile property (Note 7).

d) Golden Perimeter Property

On December 15, 2018, Constantine entered into an agreement to acquire 100% of 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 (\$45,000 paid) and issue 100,000 of its shares over the remaining three year period of the agreement (issued 50,000 common shares valued at \$69,650). Upon completion of the cash payments and share issuances, 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.

On July 8, 2021, the Company issued 37,313 common shares valued at \$56,716 related to an exploration agreement on the Golden Perimeter property (Note 7).

e) Yukon Land Position and Joint Venture

The Company holds a 50% interest in a joint venture with Carlin Gold Corporation ("Carlin") which controls 1,835 claims in the Mayo and Watson Lake Mining Districts, Yukon. The claims are distributed in ten blocks that total approximately 41,700 hectares (160 square miles). The deferred exploration costs associated with these interests are carried a nominal amount for accounting purposes, with any option proceeds received therefore recorded in income.

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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 located 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.

Pursuant to the original Option Agreement dated April 23, 2018, and as amended by agreements dated May 6, 2020 and August 11, 2020, Fireweed exercised its option on September 19, 2020 and completed the purchase of the 624 claims from the CCJV. Pursuant to the original and amended terms of the option agreement, the Company received an aggregate of 400,000 common shares of Fireweed during the year ended December 31, 2020, which were valued at \$365,250 and resulted in a gain on sale of exploration and evaluation assets of \$348,229 (Note 4).

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.

Mineral Property Option Agreement with Snowline Gold Corp. and Senoa Gold Corp. (the “Optionees”)

On September 1, 2021 (the “Effective Date”), the Company and Carlin entered into an option agreement granting the Optionees an option to acquire a 100% ownership interest in certain leasehold mining claims located in the Mayo mining district, Yukon. Pursuant to the option agreement, the Company will receive the following:

- Cash payment of \$25,000 on the Effective Date (received);
- 250,000 shares of Snowline Gold Corp. on the Effective Date (received and valued at \$125,000) (Note 4);
- Cash payment of \$25,000 on or before the first anniversary of the Effective Date; and
- 250,000 shares of Snowline Gold Corp. on or before the first anniversary of the Effective Date.

7. SHARE CAPITAL**Authorized**

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.

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During the year ended December 31, 2021

On January 22, 2021, the Company issued 60,000 common shares valued at \$97,800 related to the acquisition of three mineral properties surrounding the Munro-Croesus property (Note 6).

On July 8, 2021, the Company issued 74,626 common shares valued at \$113,432 related to an exploration agreement on the Golden Mile and Golden Perimeter properties (Note 6).

On September 28, 2021, the Company issued 153,846 common shares valued at \$169,231 related to the acquisition of a mineral property surrounding the Munro-Croesus property (Note 6).

On October 27, 2021, the Company closed a bought deal offering and non-brokered private placement totalling 11,750,000 common shares of the Company at a price of \$1.60 per share for gross proceeds of \$18,800,000. The Company paid share issue costs of \$1,038,275 in connection with this bought deal offering.

On November 23, 2021, the Company issued 100,000 common shares valued at \$153,000 related to an aggregate of 10 single-cell mining claims and 14 boundary cell mining claims surrounding the Munro-Croesus property (Note 6).

On December 1, 2021, the Company issued 20,000 common shares valued at \$30,200 related to the acquisition of the Golden Perimeter property (Note 6).

On December 13, 2021, the Company issued 38,760 common shares valued at \$50,776 related to an exploration agreement on the Munro-Croesus property (Note 6).

During the year ended December 31, 2021, an aggregate of 412,498 stock options of the Company were exercised resulting in the issuance of 412,498 common shares of the Company for total cash proceeds of \$242,081.

During the year ended December 31, 2021, an aggregate of 5,809,352 share purchase warrants of the Company were exercised resulting in the issuance of 5,809,352 common shares of the Company for total cash proceeds of \$4,045,608.

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 March 31, 2022, a total of 156,119 common shares were held in escrow.

Flow-through recovery

Any premium realized on the issuance of flow-through shares is recognized in income upon renunciation.

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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 May 19, 2021, the Company granted 1,642,500 stock options to certain directors, officers, employees and/or consultants of the Company with an exercise price of \$1.43 expiring in 5 years. A total of 547,500 stock options vest immediately and the remaining 1,095,000 stock options vest over 2 years. The fair value of these options was calculated to be \$1.03 per option.

On May 19, 2021, the Company granted 40,000 stock options to a consultant of the Company with an exercise price of \$1.43 expiring in 2 years. A total of 13,333 stock options vest immediately and the remaining 26,667 stock options vest over 2 years. The fair value of these options was calculated to be \$0.77 per option.

During the three months ended March 31, 2022, the Company recognized share-based compensation in administrative expenses and capitalized to exploration and evaluation assets in the amount of \$134,756 (2021 - \$48,959) and \$98,155 (2021 - \$45,063), 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.

	Three months ended March 31, 2022		Year ended December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening	4,669,157	\$ 1.02	3,461,238	\$ 0.78
Granted	-	-	1,682,500	\$ 1.43
Exercised	-	-	(412,498)	\$ 0.59
Expired/cancelled	-	-	(62,083)	\$ 1.41
Ending	4,669,157	\$ 1.02	4,669,157	\$ 1.02

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As at March 31, 2022, the following options are outstanding:

Number of options	Exercisable	Exercise price	Expiry date
62,496	62,496	\$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
274,163	274,163	\$1.16	June 14, 2024
1,283,332	1,283,332	\$0.45	September 16, 2024
1,285,000	1,285,000	\$1.00	March 3, 2025
1,622,500	540,833	\$1.43	May 19, 2026
4,669,157	3,587,490		

Share Purchase Warrants

	Three months ended March 31, 2022		Year ended December 31, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Opening	4,679,910	\$ 2.02	10,582,763	\$ 1.28
Exercised	-	-	(5,809,352)	\$ 0.70
Expired	-	-	(93,501)	\$ 0.70
Ending	4,679,910	\$ 2.02	4,679,910	\$ 2.02

As at March 31, 2022, the following warrants are outstanding:

Number of warrants	Exercise price	Expiry date
356,875	\$0.45	August 19, 2024
3,535,079	\$2.15	May 29, 2023
787,956	\$2.15	July 19, 2023
4,679,910		

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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 three months ended March 31, 2022 and 2021 are as follows:

	Three months ended March 31, 2022	Three months ended March 31, 2021
	\$	\$
Fees capitalized to exploration and evaluation assets	153,144	139,817
Consulting fees	25,000	-
Salaries, wages, bonuses and benefits	96,500	96,500
Share-based compensation	101,119	48,959
	375,763	285,276

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 March 31, 2022 and December 31, 2021, 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.

	March 31, 2022	December 31, 2021
	\$	\$
Due to Senior Vice President of Operations	3,330	-
Due to a Director	3,121	-
	6,451	-

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9. FINANCIAL INSTRUMENTS
Classification of financial instruments

As at March 31, 2022	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
Cash and cash equivalents	-	19,931,418	-
Marketable securities	189,000	-	-
Accounts payable and accrued liabilities	-	-	450,693

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximates the carrying amount due to the short-term nature of these instruments.

The Company's marketable securities carried at fair value have been classified as Level 1 within the fair value hierarchy.

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.

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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 March 31, 2022, the Company has working capital of \$20,464,892 (December 31, 2021 - \$23,419,949). 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 March 31, 2022, 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 \$600,000 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.

e) Equity Price Risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required and movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. As at March 31, 2022, the Company's marketable securities of \$189,000 are subject to fair value fluctuations.

Based on the Company's marketable securities as at March 31, 2022, and assuming all other variables remain constant, a 10% increase/decrease in the fair value of marketable securities would result in an increase/decrease of approximately \$19,000 in comprehensive income/loss for the period.

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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.

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 December 31, 2021 except when the Company issues flow-through shares for which the amount should be used for exploration work. On December 5, 2019 and December 23, 2020, the Company completed a flow-through private placement totalling \$2,304,000 and \$3,700,000, respectively. As at March 31, 2022, the Company incurred \$6,004,000 (December 31, 2021 - \$4,398,161) in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of \$Nil (December 31, 2021 - \$1,605,839) no later than December 31, 2021. However, due to the Coronavirus pandemic, federal legislation was proposed by the Department of Finance to extend the deadline for expenditures by one year, to December 31, 2022.

11. SEGMENTED INFORMATION

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

	Canada	United States	TOTAL
	\$	\$	\$
Three months ended March 31, 2022			
Net income (loss)	(827,452)	369,754	(457,698)
As at March 31, 2022			
Current assets	19,205,947	1,709,638	20,915,585
Non-current assets	13,357,745	27,316,197	40,673,942
Total liabilities	363,495	87,198	450,693

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	Canada	United States	TOTAL
	\$	\$	\$
Three months ended March 31, 2021			
Net income (loss)	(470,764)	154,484	(316,280)
As at December 31, 2021			
Current assets	23,226,145	556,872	23,783,017
Non-current assets	11,118,653	26,825,615	37,944,268
Total liabilities	298,820	64,248	363,068

13. SUBSEQUENT EVENT

Subsequent to the three months ended March 31, 2022, the Company issued an aggregate of 1,057,500 stock options to directors, employees and consultants exercisable into 1,057,500 common shares of the Company at a price of \$1.00 each for a period of five years.