



HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT MARCH 31, 2023
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

**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, 2023 AND DECEMBER 31, 2022**

(Expressed in Canadian dollars)

(Unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,143,923	\$ 7,637,197
Amounts receivable	104,209	57,751
Prepaid expenses and deposits	666,313	440,572
Marketable securities (Note 3)	407,000	447,000
	7,321,445	8,582,520
Equipment and right-of-use asset (Note 4)	291,042	315,744
Exploration and evaluation assets (Note 5)	53,793,419	52,649,435
	\$ 61,405,906	\$ 61,547,699
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 504,919	\$ 234,466
Lease liability (Note 6)	60,337	63,766
	565,256	298,232
Lease liability (Note 6)	56,087	66,650
	621,343	364,882
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	63,403,104	63,403,104
Share subscriptions received in advance	20,000	-
Contributed surplus (Note 7)	3,533,354	3,368,859
Deficit	(6,171,895)	(5,589,146)
	60,784,563	61,182,817
	\$ 61,405,906	\$ 61,547,699

Events subsequent to the end of the period – Note 12

Approved on behalf of the Board of Directors of HighGold Mining Inc. on May 25, 2023

'Michael Cinnamon'

'Darwin Green'

Director

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, 2023 AND 2022**

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2023	Three months ended March 31, 2022
EXPENSES		
Advertising and promotion	\$ 73,880	24,342
Consulting fees (Note 8)	14,000	28,000
Depreciation (Note 4)	15,283	-
Filing and transfer agent	27,267	30,776
Foreign exchange loss	33,982	40,182
Insurance	27,107	26,041
Interest (Note 6)	3,598	-
Office and miscellaneous	42,128	32,046
Professional fees	81,502	32,868
Rent	22,911	10,090
Salaries, wages and benefits (Note 8)	154,412	139,111
Share-based compensation (Notes 7 and 8)	74,626	134,756
Travel	38,239	-
Net loss before other items	(608,935)	(498,212)
OTHER ITEMS		
Interest income	58,686	16,209
Other income	7,500	-
Gain (loss) on marketable securities (Note 3)	(40,000)	24,305
Net loss and comprehensive loss	\$ (582,749)	\$ (457,698)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		
Basic and diluted	73,370,210	73,020,210

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, 2023 AND 2022**

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital		Share subscriptions received in advance	Contributed surplus	Deficit	Total
	Number of shares	Amount				
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
Shares issued for exploration and evaluation assets	350,000	263,300	-	-	-	263,300
Share-based compensation	-	-	-	823,974	-	823,974
Net loss for the period	-	-	-	-	(1,043,291)	(1,043,291)
As at December 31, 2022	73,370,210	\$ 63,403,104	\$ -	\$ 3,368,859	\$ (5,589,146)	\$ 61,182,817
Share subscriptions received in advance	-	-	20,000	-	-	20,000
Share-based compensation	-	-	-	164,495	-	164,495
Net loss for the period	-	-	-	-	(582,749)	(582,749)
As at March 31, 2023	73,370,210	\$ 63,403,104	\$ 20,000	\$ 3,533,354	\$ (6,171,895)	\$ 60,784,563

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, 2023 AND 2022**

(Expressed in Canadian dollars)
(Unaudited)

	March 31, 2023		March 31, 2022	
OPERATING ACTIVITIES				
Net loss	\$	(582,749)	\$	(457,698)
Adjustments for non-cash items:				
Accretion and depreciation		18,881		-
Share-based compensation		74,626		134,756
Loss (gain) on marketable securities		40,000		(24,305)
Change in non-cash working capital:				
Amounts receivable		(46,458)		(204,002)
Prepaid expenses and deposits		(225,741)		39,601
Accounts payable and accrued liabilities		227,409		16,171
Cash used in operating activities		(494,032)		(495,477)
INVESTING ACTIVITIES				
Proceeds from sale of marketable securities		-		182,705
Exploration and evaluation costs		(1,001,652)		(2,560,661)
Cash used in investing activities		(1,001,652)		(2,377,956)
FINANCING ACTIVITIES				
Payments on lease liability		(17,590)		-
Share subscriptions received in advance		20,000		-
Cash provided by financing activities		2,410		-
Decrease in cash and cash equivalents		(1,493,274)		(2,873,433)
Cash and cash equivalents, beginning of period		7,637,197		22,804,851
Cash and cash equivalents, end of period	\$	6,143,923	\$	19,931,418
Supplemental information with respect to cash flows:				
Exploration and evaluation expenses included in accounts payable	\$	123,056	\$	342,272
Depreciation capitalized to exploration and evaluation assets	\$	9,419	\$	5,740
Share-based compensation capitalized to exploration and evaluation assets	\$	89,869	\$	98,155

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, 2023 AND 2022**

(Expressed in Canadian dollars)
(Unaudited)

1. CORPORATE INFORMATION

HighGold Mining Inc. (the “Company”) is registered under the British Columbia Business Corporations Act and trades on the TSX Venture Exchange (TSXV: HIGH). The Company also trades under the symbol HGGOF on the US Over-the-Counter market. The Company is in the business of acquiring, exploring and developing mineral properties in Alaska, USA, and in Ontario and Yukon, Canada.

The address of the Company’s corporate office and its principal place of business is 405 – 375 Water Street, Vancouver, BC, V6B 5C6.

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 (Note 12).

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.

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, 2022, 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 25, 2023, the date the Board of Directors of the Company approved these financial statements.

HIGHGOLD MINING INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

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

c) Basis of measurement

These consolidated 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 consolidated 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 consolidated 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, the determination of the incremental borrowing rate used in the measurement of the lease liability, and any required provisions for closure and reclamation.
- 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.

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

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3. MARKETABLE SECURITIES

During the year ended December 31, 2020, the Company received 400,000 shares of Fireweed Zinc Ltd. (“Fireweed”) valued at \$365,250 related to the sale of three properties in the Mac Pass area, Yukon (Note 5). 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. During the year ended December 31, 2022, the Company sold an additional 120,000 shares of Fireweed for proceeds of \$95,270 resulting in a loss of \$14,305. As at March 31, 2023, the fair value of the 150,000 (December 31, 2022 – 150,000) shares was \$135,000 (December 31, 2022 - \$153,000) resulting in an unrealized loss of \$18,000 (2022 – unrealized gain of \$21,600) for the three months ended March 31, 2023.

During the year ended December 31, 2021, the Company received 250,000 shares of Snowline Gold Corp. (“Snowline”) valued at \$125,000 related to the sale of mining claims in the Mayo mining district, Yukon (Note 5). The Company received an additional 275,000 shares of Snowline valued at \$275,000 during the year ended December 31, 2022. The Company sold 250,000 shares of Snowline for total proceeds of \$207,604 resulting in a gain of \$82,604 during the year ended December 31, 2022. As at March 31, 2023, the fair value of the 100,000 (December 31, 2022 – 100,000) shares was \$272,000 (December 31, 2022 - \$294,000) resulting in an unrealized loss of \$22,000 (2022 – \$Nil) for the three months ended March 31, 2023.

	Fireweed	Snowline	Total
Opening balance, December 31, 2021	\$ 167,400	\$ 180,000	\$ 347,400
Additions	-	275,000	275,000
Disposal	(109,575)	(125,000)	(234,575)
Reclassification of unrealized loss (gain) on disposal	35,175	(55,000)	(19,825)
Unrealized gain	60,000	19,000	79,000
Ending balance, December 31, 2022	153,000	294,000	447,000
Unrealized loss	(18,000)	(22,000)	(40,000)
Ending balance, March 31, 2023	\$ 135,000	\$ 272,000	\$ 407,000

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

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4. EQUIPMENT AND RIGHT-OF-USE ASSET

Cost	Equipment	Right-of-use asset	Total
Opening balance, December 31, 2021	\$ 137,850	\$ -	\$ 137,850
Additions	107,266	152,827	260,093
Ending balance, December 31, 2022 and March 31, 2023	\$ 245,116	\$ 152,827	\$ 397,943
Accumulated Depreciation			
Opening balance, December 31, 2021	\$ 23,040	\$ -	\$ 23,040
Depreciation	33,688	25,471	59,159
Ending balance, December 31, 2022	56,728	25,471	82,199
Depreciation	9,419	15,283	24,702
Ending balance, March 31, 2023	\$ 66,147	\$ 40,754	\$ 106,901
Net Book Value			
Balance, December 31, 2022	\$ 188,388	\$ 127,356	\$ 315,744
Balance, March 31, 2023	\$ 178,969	\$ 112,073	\$ 291,042

5. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance December 31, 2022	Fiscal 2023 Expenditures	Balance March 31, 2023
Johnson Tract Property, Alaska, USA					
Acquisition from Constantine	\$ 967,668	\$ -	\$ 967,668	\$ -	\$ 967,668
Subsequent acquisition costs	199,428	97,583	297,011	-	297,011
Administration	395,804	173,247	569,051	23,610	592,661
Assaying and testing	1,121,338	555,300	1,676,638	46,517	1,723,155
Camp costs and field support	2,636,678	1,492,577	4,129,255	24,667	4,153,922
Community relations and advocacy	35,877	107,283	143,160	26,656	169,816
Depreciation	23,040	33,688	56,728	9,419	66,147
Drilling	10,615,021	5,197,115	15,812,136	67,203	15,879,339
Environmental	129,836	219,251	349,087	94,089	443,176
Geology and project management	3,115,694	1,546,083	4,661,777	252,633	4,914,410
Geophysics	694,836	64,775	759,611	3,019	762,630
Permitting	95,025	64,719	159,744	27,663	187,407
Share-based compensation	625,469	434,458	1,059,927	70,614	1,130,541
Technical consulting and engineering	153,730	318,289	472,019	128,351	600,370
Transportation	5,901,361	317,435	6,218,796	40,722	6,259,518
	\$ 26,710,805	\$ 10,621,803	\$ 37,332,608	\$ 815,163	\$ 38,147,771

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Expressed in Canadian dollars)

(Unaudited)

	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance December 31, 2022	Fiscal 2023 Expenditures	Balance March 31, 2023
Munro-Croesus Property, Ontario, Canada					
Acquisition from Constantine	\$ 2,099,902	\$ -	\$ 2,099,902	\$ -	\$ 2,099,902
Subsequent acquisition costs	3,117,679	165,725	3,283,404	-	3,283,404
Administration	134,226	52,737	186,963	19,995	206,958
Assaying and testing	244,873	684,283	929,156	19,218	948,374
Camp costs and field support	84,120	71,669	155,789	12,361	168,150
Community relations and advocacy	246,095	46,589	292,684	78,212	370,896
Construction and development	-	52,047	52,047	-	52,047
Drilling	1,276,648	1,213,393	2,490,041	-	2,490,041
Geology and project management	856,842	679,217	1,536,059	108,481	1,644,540
Geophysics	235,071	380,975	616,046	-	616,046
Property maintenance	21,907	20,645	42,552	4,527	47,079
Share-based compensation	227,150	98,710	325,860	13,700	339,560
Technical consulting and engineering	15,667	-	15,667	18,882	34,549
Transportation	92,981	188,973	281,954	10,610	292,564
	\$ 8,653,161	\$ 3,654,963	\$ 12,308,124	\$ 285,986	\$ 12,594,110
Golden Mile Property, Ontario, Canada					
Acquisition from Constantine	\$ 306,751	\$ -	\$ 306,751	\$ -	\$ 306,751
Subsequent acquisition costs	2,300	1,150	3,450	-	3,450
Administration	55,310	14,737	70,047	3,637	73,684
Advance royalty payments	30,000	10,000	40,000	-	40,000
Assaying and testing	43,142	-	43,142	-	43,142
Camp costs and field support	13,520	2,876	16,396	71	16,467
Community relations and advocacy	117,402	2,079	119,481	1,255	120,736
Drilling	168,443	-	168,443	-	168,443
Geology and project management	134,883	38,703	173,586	6,214	179,800
Geophysics	1,696	62,772	64,468	-	64,468
Share-based compensation	54,360	14,150	68,510	2,117	70,627
Transportation	13,202	2,225	15,427	1,278	16,705
	\$ 941,009	\$ 148,692	\$ 1,089,701	\$ 14,572	\$ 1,104,273
Timmons South Property, Ontario, Canada					
Acquisition from Constantine	\$ 133,307	\$ -	\$ 133,307	\$ -	\$ 133,307
Subsequent acquisition costs	114,650	264,080	378,730	-	378,730
Administration	88,881	14,841	103,722	3,637	107,359
Assaying and testing	105,550	-	105,550	-	105,550
Camp costs and field support	66,428	5,166	71,594	71	71,665
Community relations and advocacy	123,096	500	123,596	441	124,037
Drilling	217,906	-	217,906	-	217,906
Geology and project management	290,246	78,783	369,029	6,599	375,628
Geophysics	260,610	-	260,610	-	260,610
Share-based compensation	65,139	18,956	84,095	2,175	86,270
Technical consulting and engineering	3,428	-	3,428	-	3,428
Transportation	54,645	4,349	58,994	1,278	60,272
	\$ 1,523,886	\$ 386,675	\$ 1,910,561	\$ 14,201	\$ 1,924,762

HIGHGOLD MINING INC.
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Expressed in Canadian dollars)
(Unaudited)

	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance December 31, 2022	Fiscal 2023 Expenditures	Balance March 31, 2023
Yukon, Canada					
Acquisition from Constantine	\$ 1	\$ -	\$ 1	\$ -	\$ 1
Subsequent acquisition costs	-	242,454	242,454	610	243,064
Administration	18,469	475	18,944	1,278	20,222
Camp costs and field support	-	-	-	23	23
Geology and project management	3,658	7,270	10,928	8,543	19,471
Permitting	-	-	-	1,725	1,725
Share-based compensation	-	1,685	1,685	1,263	2,948
Transportation	-	1,185	1,185	620	1,805
Cost recoveries	(22,127)	(244,629)	(266,756)	-	(266,756)
	\$ 1	\$ 8,440	\$ 8,441	\$ 14,062	\$ 22,503
Total	\$ 37,828,862	\$ 14,820,573	\$ 52,649,435	\$ 1,143,984	\$ 53,793,419

a) Johnson Tract Property, Alaska

The Company has an 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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Between June 2020 and December 2021, the Company entered into a number of agreements to acquire an additional mineral properties located contiguous to the Munro-Croesus property for cash payments totaling \$1,055,000 and \$150,000 US and the issuance of 977,582 shares of the Company. Certain of the claims are subject to NSR royalty agreements, portions of which may be repurchased by the Company.

During the year ended December 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 \$141,500. 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.

d) Timmins South Property (formerly known as Golden Perimeter Property)

The Company has an agreement to acquire 100% of the Timmins South 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 Timmins South property, the Company must make cash payments totaling \$65,000 (paid) and issue 100,000 of its shares over the remaining three year period of the agreement (issued). 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 June 10, 2022, the Company entered into an agreement of purchase and sale with an arm's length vendor to acquire 255 mining claims covering 56 square kilometers that ties onto the Company's existing Timmins South mining claims. To acquire the mining claims, the Company has agreed to make a cash payment of \$80,000 (\$40,000 paid) and issue 160,000 common shares of the Company to the vendor (80,000 common shares issued and valued at \$78,400), with half the cash payment and common shares payable on signing and the remaining half payable on the first anniversary of the agreement closing date. Pursuant to the agreement, the property is subject to certain NSR royalties, a portion of which may be purchased back by the Company.

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

e) Yukon Land Position and Joint Venture

The Company held 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 at a nominal amount for accounting purposes, with any option proceeds received therefore recorded in income.

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

Under the auspices of a joint venture (the “CCJV”) with Carlin Gold Corporation (“Carlin”), the Company had 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 3).

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 3);
- Cash payment of \$25,000 on or before the first anniversary of the Effective Date (received); and
- 250,000 shares of Snowline Gold Corp. on or before the first anniversary of the Effective Date (received 100,000 shares and valued at \$275,000) (Note 3).

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Mineral Property Purchase Agreement with Carlin

On August 17, 2022, the Company entered into an agreement to purchase Carlin's 50% interest in the Yukon properties held under the original joint venture with Carlin, bringing the Company's ownership to 100%. The acquisition includes four separate properties totalling 1,023 claims and 21,000ha (210 km²). Pursuant to the agreement, the Company will make a cash payment of \$75,000 (paid) and issue 200,000 common shares of the Company (issued and valued at \$134,000). These properties are subject to a 0.5% NSR which may be bought back by the Company for \$750,000.

Mineral Property Purchase Agreement with Strategic Metals Inc. ("Strategic")

On September 7, 2022, the Company entered into an agreement or purchase and sale with Strategic for the purchase of Harlow property. Pursuant to the agreement, the Company will make a cash payment of \$20,000 (paid) and issue 20,000 common shares of the Company (issued and valued at \$13,400). These properties are subject to a 2.5% NSR of which 0.5% may be bought back by the Company for \$750,000.

6. LEASE LIABILITY

As at August 1, 2022, the Company was the sublessee to a premise. The incremental rate of borrowing for this lease was estimated by management to be 12% per annum.

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

Undiscounted minimum lease payments	
Less than one year	\$ 70,358
Two to three years	58,631
	<u>128,989</u>
Effect of discounting	(12,565)
Present value of minimum lease payments	116,424
Less: Current portion	(60,337)
Long-term portion	<u>\$ 56,087</u>

The net change in the lease liability is shown in the following continuity table:

Opening balance, December 31, 2021	\$ -
Additions	152,827
Interest	6,904
Payments	(29,315)
Ending balance, December 31, 2022	<u>130,416</u>
Interest	3,598
Payments	(17,590)
Ending balance, March 31, 2023	<u>\$ 116,424</u>

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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.

The Company did not issue any shares in the three months ended March 31, 2023.

During the year ended December 31, 2022

On August 26, 2022, the Company issued 80,000 common shares valued at \$78,400 related to the acquisition of certain claims in the Timmins South property (Note 5).

On September 30, 2022, the Company issued a total of 220,000 common shares valued at \$147,400 related to the acquisition of certain claims in the Yukon property (Note 5).

On December 5, 2022, the Company issued 50,000 common shares valued at \$37,500 related to the acquisition of the Timmins South property (Note 5).

Flow-through recovery

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

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 April 5, 2022, the Company granted 1,057,500 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 352,500 stock options vest immediately and the remaining 705,000 stock options vest over 2 years. The fair value of these options was calculated to be \$0.74 per option.

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During the three months ended March 31, 2023, the Company recognized share-based compensation in administrative expenses and capitalized to exploration and evaluation assets in the amount of \$74,626 (2022 - \$134,756) and \$89,869 (2022 - \$98,155), respectively.

The Black-Scholes option pricing model requires 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, 2023		Year ended December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening	5,559,162	\$ 1.01	4,669,157	\$ 1.02
Granted	-	-	1,057,500	1.00
Expired/cancelled	(25,000)	1.59	(167,495)	1.21
Ending	5,534,162	\$ 1.01	5,559,162	\$ 1.01

As at March 31, 2023, the following options are outstanding:

Number of options	Exercisable	Exercise price	Expiry date
58,333	58,333	\$1.46	June 6, 2023
58,333	58,333	\$0.94	December 24, 2023
199,164	199,164	\$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	1,081,667	\$1.43	May 19, 2026
1,027,500	342,500	\$1.00	April 5, 2027
5,534,162	4,308,329		

Share Purchase Warrants

	Three months ended March 31, 2023		Year ended December 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Opening	4,679,910	\$ 2.02	4,679,910	\$ 2.02
Expired	-	-	-	-
Ending	4,679,910	\$ 2.02	4,679,910	\$ 2.02

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As at March 31, 2023, 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		

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, 2023 and 2022 are as follows:

	Three months ended March 31, 2023	Three months ended March 31, 2022
	\$	\$
Fees capitalized to exploration and evaluation assets	125,995	153,144
Consulting fees	-	25,000
Salaries, wages, bonuses and benefits	96,500	96,500
Share-based compensation	51,137	101,119
	273,632	375,763

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

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Related Party Balances

As at March 31, 2023 and December 31, 2022, 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, 2023	December 31, 2022
	\$	\$
Due to Chief Executive Officer	-	20,766
Due to Senior Vice President of Operations	-	905
Due to Chief Financial Officer	4,629	2,671
Due to a company controlled by a Director	262,500	-
	267,129	24,342

9. FINANCIAL INSTRUMENTS
Classification of financial instruments

As at March 31, 2023	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
	\$	\$	\$
Cash and cash equivalents	-	6,143,923	-
Amounts receivable	-	69,902	-
Marketable securities	407,000	-	-
Accounts payable and accrued liabilities	-	-	504,919

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.

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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 March 31, 2023, the Company has working capital of \$6,756,189 (December 31, 2022 - \$8,284,288). 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, 2023, 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 \$35,000 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.

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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, 2023, the Company's marketable securities of \$407,000 are subject to fair value fluctuations.

Based on the Company's marketable securities as at March 31, 2023, 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 \$41,000 in comprehensive income/loss for the period.

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 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 flow-through private placements totalling \$2,304,000 and \$3,700,000, respectively. As of December 31, 2022, the Company incurred sufficient eligible expenditures to satisfy its flow-through spending obligations.

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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, 2023			
Net loss	(555,202)	(27,547)	(582,749)
As at March 31, 2023			
Current assets	7,068,207	253,238	7,321,445
Non-current assets	15,757,723	38,326,738	54,084,461
Total liabilities	521,245	100,098	621,343
	Canada	United States	TOTAL
	\$	\$	\$
Three months ended March 31, 2022			
Net loss	(827,452)	369,754	(457,698)
As at December 31, 2022			
Current assets	8,369,292	213,228	8,582,520
Non-current assets	15,444,184	37,520,995	52,965,179
Total liabilities	309,689	55,193	364,882

12. EVENTS SUBSEQUENT TO THE END OF THE PERIOD
Private Placement Completed

On April 11, 2023, the Company completed a non-brokered private placement, consisting of 14,029,243 shares at a price of \$0.66 per share, for aggregate gross proceeds of \$9,259,300. In connection with the private placement, the Company paid finder's fees of \$28,263 in cash to qualified finders.

Spin-out of Canadian Mineral Properties Announced

In March 2023, the Company announced that it entered into an arrangement agreement for the spin-out of its Ontario and Yukon exploration properties to its wholly-owned subsidiary, Onyx Gold Corp. ("Onyx Gold"). The proposed spin-out will be conducted by way of a plan of arrangement (the "Arrangement") under the British Columbia Business Corporations Act. Pursuant to the Arrangement and subject to shareholder and regulatory approvals, the shareholders of the Company will be entitled to receive one Onyx Gold share for every four shares of the Company held and the Company will also be issued 5,000,000 shares of Onyx Gold.

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Warrants Exercised

In April 2023, 281,375 warrants were exercised into common shares of the Company for gross proceeds of \$126,619.