HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT JUNE 30, 2023
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2023 AND DECEMBER 31, 2022

(Expressed in Canadian dollars)
(Unaudited)

	June 30, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 12,955,590**	$ 7,637,197
Amounts receivable (Note 8)	**349,947**	57,751
Prepaid expenses and deposits	**417,953**	440,572
Marketable securities (Note 3)	**3,034,500**	447,000
	16,757,990	8,582,520
Equipment and right-of-use asset (Note 4)	**358,636**	315,744
Exploration and evaluation assets (Note 5)	**39,644,411**	52,649,435
	$ 56,761,037	$ 61,547,699
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	**$ 445,643**	$ 234,466
Lease liability (Note 6)	**62,166**	63,766
	507,809	298,232
Lease liability (Note 6)	**39,843**	66,650
	547,652	364,882
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**56,631,388**	63,403,104
Contributed surplus (Note 7)	**3,602,053**	3,368,859
Deficit	**(4,020,056)**	(5,589,146)
	56,213,385	61,182,817
	$ 56,761,037	$ 61,547,699

Event subsequent to the end of the period – Note 13

Approved on behalf of the Board of Directors of HighGold Mining Inc. on August 24, 2023

'Michael Cinnamond'	*'Darwin Green'*
Director	Director

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
EXPENSES				
Advertising and promotion	$ 43,941	$ 48,616	$ 117,821	$ 72,958
Consulting fees (Note 8)	89,612	12,333	103,612	40,333
Depreciation (Note 4)	15,603	-	30,886	-
Filing and transfer agent	43,654	25,240	70,921	56,016
Foreign exchange loss (gain)	(8,666)	(171,509)	25,316	(131,327)
Insurance	27,108	26,042	54,215	52,083
Interest (Note 6)	3,173	-	6,771	-
Office and miscellaneous	35,966	108,113	78,094	140,159
Professional fees	66,735	22,404	148,237	55,272
Rent	22,910	10,173	45,821	20,263
Salaries, wages and benefits (Note 8)	131,942	165,681	286,354	304,792
Share-based compensation (Notes 7 and 8)	34,649	340,979	109,275	475,735
Travel	35,674	25,333	73,913	25,333
Net loss before other items	**(542,301)**	**(613,405)**	**(1,151,236)**	**(1,111,617)**
OTHER ITEMS				
Interest income	62,140	28,852	120,826	45,061
Other income	4,500	-	12,000	-
Gain (loss) on marketable securities (Note 3)	2,627,500	(4,801)	2,587,500	19,504
Net income (loss) and comprehensive income (loss)	**$ 2,151,839**	**$ (589,354)**	**$ 1,569,090**	**$ (1,047,052)**
Basic earnings (loss) per share	**$ 0.03**	**$ (0.01)**	**$ 0.02**	**$ (0.01)**
Diluted earnings (loss) per share	**$ 0.02**	**$ (0.01)**	**$ 0.02**	**$ (0.01)**
Weighted average number of common shares outstanding				
Basic	**85,915,536**	**73,020,210**	**79,677,529**	**73,020,210**
Diluted	**86,811,625**	**73,020,210**	**80,548,546**	**73,020,210**

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Expressed in Canadian dollars)
(Unaudited)

	Share Capital				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Total**
As at December 31, 2021	**73,020,210**	**$ 63,139,804**	**$ 2,311,974**	**$ (4,088,157)**	**$ 61,363,621**
Share-based compensation	-	-	730,521	-	730,521
Net loss for the period	-	-	-	(1,047,052)	(1,047,052)
As at June 30, 2022	**73,020,210**	**$ 63,139,804**	**$ 3,042,495**	**$ (5,135,209)**	**$ 61,047,090**
Shares issued for exploration and evaluation assets	350,000	263,300	-	-	263,300
Share-based compensation	-	-	326,364	-	326,364
Net loss for the period	-	-	-	(453,937)	(453,937)
As at December 31, 2022	**73,370,210**	**$ 63,403,104**	**$ 3,368,859**	**$ (5,589,146)**	**$ 61,182,817**
Private placement	14,029,243	9,259,300	-	-	9,259,300
Exercise of share purchase warrants	281,375	126,619	-	-	126,619
Share issue costs	-	(277,705)	-	-	(277,705)
Disposition of assets upon spin-out (Note 12)	-	(15,879,930)	-	-	(15,879,930)
Share-based compensation	-	-	233,194	-	233,194
Net income for the period	-	-	-	1,569,090	1,569,090
As at June 30, 2023	**87,680,828**	**$ 56,631,388**	**$ 3,602,053**	**$ (4,020,056)**	**$ 56,213,385**

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

HIGHGOLD

HIGHGOLD MINING INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Expressed in Canadian dollars)
(Unaudited)

		June 30, 2023		June 30, 2022
OPERATING ACTIVITIES				
Net income (loss)	$	1,569,090	$	(1,047,052)
Adjustments for non-cash items:				
Accretion and depreciation		37,657		-
Share-based compensation		109,275		475,735
Gain on marketable securities		(2,587,500)		(19,504)
Change in non-cash working capital:				
Amounts receivable		(278,145)		(263,311)
Prepaid expenses and deposits		21,419		113,068
Accounts payable and accrued liabilities		(41,966)		(57,840)
Cash used in operating activities		**(1,170,170)**		**(798,904)**
INVESTING ACTIVITIES				
Proceeds from sale of marketable securities		-		207,604
Purchase of equipment		(97,153)		(107,266)
Disposition of cash upon spin-out (Note 12)		(50,618)		-
Exploration and evaluation costs		(2,436,702)		(4,586,539)
Cash used in investing activities		**(2,584,473)**		**(4,486,201)**
FINANCING ACTIVITIES				
Proceeds from private placements		9,259,300		-
Proceeds from exercise of share purchase warrants		126,619		-
Share issue costs		(277,705)		-
Payments on lease liability		(35,178)		-
Cash provided by financing activities		**9,073,036**		**-**
Increase (Decrease) in cash and cash equivalents		**5,318,393**		**(5,285,105)**
Cash and cash equivalents, beginning of period		**7,637,197**		**22,804,851**
Cash and cash equivalents, end of period	**$**	**12,955,590**	**$**	**17,519,746**
Supplemental information with respect to cash flows:				
Exploration and evaluation expenses included in accounts payable	$	253,628	$	336,415
Depreciation capitalized to exploration and evaluation assets	$	23,375	$	16,844
Share-based compensation capitalized to exploration and evaluation assets	$	123,919	$	254,786

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

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 elsewhere.

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.

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.

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 August 24, 2023, 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 consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, JT Mining, Inc. ("JT Mining"). The Company's previously wholly-owned subsidiary, Epica Gold Inc. ("Epica"), ceased to be a wholly-owned subsidiary upon completion of the plan of arrangement with Onyx Gold Corp. ("Onyx Gold") effective on June 6, 2023 (Note 12). 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 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 subsidiary 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.

3. MARKETABLE SECURITIES

During the six months ended June 30, 2023, the Company received 5,000,000 shares of Onyx Gold related to the plan of arrangement with Onyx Gold (Note 12). A 4,500,000 share portion of the Onyx Gold shares are held under an escrow agreement, for release at the rate of 750,000 shares every six months over the next 36 months. As at June 30, 2023, the fair value of the 5,000,000 (December 31, 2022 – Nil) shares was $2,500,000 (December 31, 2022 - $Nil) resulting in an unrealized gain of $2,500,000 (2022 – $Nil) for the six months ended June 30, 2023.

	Fireweed	Snowline	Onyx Gold	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 gain	10,500	77,000	2,500,000	2,587,500
Ending balance, June 30, 2023	**$ 163,500**	**$ 371,000**	**$ 2,500,000**	**$ 3,034,500**

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	245,116	152,827	397,943
Additions	97,153	-	97,153
Ending balance, June 30, 2023	$ 342,269	$ 152,827	$ 495,096
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	23,696	30,565	54,261
Ending balance, June 30, 2023	$ 80,424	$ 56,036	$ 136,460
Net Book Value			
Balance, December 31, 2022	$ 188,388	$ 127,356	$ 315,744
Balance, June 30, 2023	**$ 261,845**	**$ 96,791**	**$ 358,636**

5. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2021	**Fiscal 2022 Expenditures**	**Balance December 31, 2022**	**Fiscal 2023 Expenditures**	**Balance June 30, 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	103,061	672,112
Assaying and testing	1,121,338	555,300	1,676,638	47,034	1,723,672
Camp costs and field support	2,636,678	1,492,577	4,129,255	185,277	4,314,532
Community relations and advocacy	35,877	107,283	143,160	68,558	211,718
Depreciation	23,040	33,688	56,728	23,375	80,103
Drilling	10,615,021	5,197,115	15,812,136	97,062	15,909,198
Environmental	129,836	219,251	349,087	409,528	758,615
Geology and project management	3,115,694	1,546,083	4,661,777	577,761	5,239,538
Geophysics	694,836	64,775	759,611	6,126	765,737
Permitting	95,025	64,719	159,744	143,264	303,008
Property maintenance	-	-	-	134,770	134,770
Share-based compensation	625,469	434,458	1,059,927	96,678	1,156,605
Technical consulting and engineering	153,730	318,289	472,019	288,609	760,628
Transportation	5,901,361	317,435	6,218,796	130,700	6,349,496
	$ 26,710,805	$ 10,621,803	$ 37,332,608	$ 2,311,803	$ 39,644,411

HIGHGOLD

HIGHGOLD MINING INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Balance December 31, 2021	Fiscal 2022 Expenditures	Balance December 31, 2022	Fiscal 2023 Expenditures	Balance June 30, 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	909	3,284,313
Administration	134,226	52,737	186,963	27,199	214,162
Assaying and testing	244,873	684,283	929,156	19,218	948,374
Camp costs and field support	84,120	71,669	155,789	22,545	178,334
Community relations and advocacy	246,095	46,589	292,684	79,031	371,715
Construction and development	-	52,047	52,047	107	52,154
Drilling	1,276,648	1,213,393	2,490,041	-	2,490,041
Geology and project management	856,842	679,217	1,536,059	176,249	1,712,308
Geophysics	235,071	380,975	616,046	-	616,046
Property maintenance	21,907	20,645	42,552	6,087	48,639
Share-based compensation	227,150	98,710	325,860	17,255	343,115
Technical consulting and engineering	15,667	-	15,667	20,678	36,345
Transportation	92,981	188,973	281,954	24,006	305,960
Disposition of assets upon spin-out	-	-	-	(12,701,408)	(12,701,408)
	$ 8,653,161	$ 3,654,963	$ 12,308,124	$ (12,308,124)	$ -
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	5,909	75,956
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	118	16,514
Community relations and advocacy	117,402	2,079	119,481	2,055	121,536
Drilling	168,443	-	168,443	-	168,443
Geology and project management	134,883	38,703	173,586	9,945	183,531
Geophysics	1,696	62,772	64,468	-	64,468
Share-based compensation	54,360	14,150	68,510	2,953	71,463
Transportation	13,202	2,225	15,427	2,547	17,974
Disposition of assets upon spin-out	-	-	-	(1,113,228)	(1,113,228)
	$ 941,009	$ 148,692	$ 1,089,701	$ (1,089,701)	$ -

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	5,909	109,631
Assaying and testing	105,550	-	105,550	-	105,550
Camp costs and field support	66,428	5,166	71,594	118	71,712
Community relations and advocacy	123,096	500	123,596	1,240	124,836
Drilling	217,906	-	217,906	-	217,906
Geology and project management	290,246	78,783	369,029	10,585	379,614
Geophysics	260,610	-	260,610	-	260,610
Share-based compensation	65,139	18,956	84,095	3,045	87,140
Technical consulting and engineering	3,428	-	3,428	-	3,428
Transportation	54,645	4,349	58,994	2,547	61,541
Disposition of assets upon spin-out	-	-	-	(1,934,005)	(1,934,005)
	$ 1,523,886	$ 386,675	$ 1,910,561	$ (1,910,561)	$ -
Yukon, Canada					
Acquisition from Constantine	$ 1	$ -	$ 1	$ -	$ 1
Subsequent acquisition costs	-	242,454	242,454	610	243,064
Administration	18,469	475	18,944	1,551	20,495
Camp costs and field support	-	-	-	70	70
Community relations and advocacy	-	-	-	75	75
Geology and project management	3,658	7,270	10,928	71,693	82,621
Permitting	-	-	-	2,490	2,490
Share-based compensation	-	1,685	1,685	3,988	5,673
Transportation	-	1,185	1,185	5,089	6,274
Cost recoveries	(22,127)	(244,629)	(266,756)	-	(266,756)
Disposition of assets upon spin-out	-	-	-	(94,007)	(94,007)
	$ 1	$ 8,440	$ 8,441	$ (8,441)	$ -
Total	**$ 37,828,862**	**$ 14,820,573**	**$ 52,649,435**	**$ (13,005,024)**	**$ 39,644,411**

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) Spin-out of Canadian Mineral Properties

On June 6, 2023, the Company completed a spin-out of its Canadian gold property assets (the "Gold Projects") into Onyx Gold and in exchange shares of Onyx Gold were distributed to the Company and to the Company's shareholders on a basis proportionate to their shareholdings of the Company.

The following Gold Projects were spun-out as of June 6, 2023 and no longer form part of the Company's assets (Note 12):

- Munro-Croesus Property
- Golden Mile Property
- Timmins South Property
- Yukon, Canada Property

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		41,042
		111,400
Effect of discounting		(9,391)
Present value of minimum lease payments		102,009
Less: Current portion		(62,166)
Long-term portion	$	39,843

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		130,416
Interest		6,771
Payments		(35,178)
Ending balance, June 30, 2023	$	102,009

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.

During the six months ended June 30, 2023

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 and paid other share issue costs of $249,442.

During the six months ended June 30, 2023, an aggregate of 281,375 share purchase warrants of the Company were exercised resulting in the issuance of 281,375 common shares of the Company for total cash proceeds of $126,619.

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).

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.

During the six months ended June 30, 2023, the Company recognized share-based compensation in administrative expenses and capitalized to exploration and evaluation assets in the amount of $109,275 (2022 - $475,735) and $123,919 (2022 - $254,786), 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.

	Six months ended June 30, 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	(298,333)	1.41	(167,495)	1.21
Ending	**5,260,829**	**$ 0.99**	**5,559,162**	**$ 1.01**

As at June 30, 2023, the following options are outstanding:

Number of options	**Exercisable**	**Exercise price**	**Expiry date**
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
1,432,500	1,432,500	$1.43	May 19, 2026
1,002,500	695,000	$1.00	April 5, 2027
5,260,829	**4,953,329**		

Share Purchase Warrants

	Six months ended June 30, 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
Exercised	(281,375)	0.45	-	-
Expired	(3,535,079)	2.15	-	-
Ending	**863,456**	**$ 2.00**	**4,679,910**	**$ 2.02**

As at June 30, 2023, the following warrants are outstanding:

	Number of warrants	Exercise price	Expiry date
	75,500	$0.45	August 19, 2024
	787,956	$2.15	July 19, 2023
	863,456		

8. RELATED PARTY TRANSACTIONS

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

a) Compensation of Key Management Personnel

The compensation paid or payable to key management personnel, including consulting and professional fees for administrative, management, accounting and legal services, and salaries, wages and benefits and share-based compensation provided by these related parties, during the six months ended June 30, 2023 and 2022 are as follows:

	Six months ended June 30, 2023 $	Six months ended June 30, 2022 $
Fees capitalized to exploration and evaluation assets	229,717	324,878
Consulting fees	75,000	33,333
Salaries, wages, bonuses and benefits	205,000	193,000
Share issue costs	100,000	-
Share-based compensation	74,972	240,679
	684,689	791,890

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

b) Related Party Balances

As at June 30, 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.

	June 30, 2023	**December 31, 2022**
	$	**$**
Due to Chief Executive Officer	20,860	20,766
Due to Senior Vice President of Operations	1,007	905
Due to Chief Financial Officer	-	2,671
	21,867	24,342

As at June 30, 2023, the Company has amounts receivable of $191,298 from Epica Gold and Onyx Gold, companies with certain management and directors in common, included in amounts receivable that are noninterest bearing, unsecured, and have no specified terms of repayment.

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at June 30, 2023	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
	$	$	$
Cash and cash equivalents	-	12,955,590	-
Amounts receivable	-	321,273	-
Marketable securities, Level 1	534,500	-	-
Marketable securities, Level 2	2,500,000	-	-
Accounts payable and accrued liabilities	-	-	445,643

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.

Some of the Company's marketable securities carried at fair value have been classified as Level 2 within the fair value hierarchy, due to the fact that they were not quoted on any stock exchange as at June 30, 2023 (the Company's shares in Onyx Gold were not listed for trading until July 24, 2023).

Management of Industry and Financial Risk

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

a) Credit risk

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

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. As at June 30, 2023, the Company has working capital of $16,250,181 (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 June 30, 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 $556,000 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 June 30, 2023, the Company's marketable securities of $3,034,500 are subject to fair value fluctuations.

Based on the Company's marketable securities as at June 30, 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 $303,000 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.

11. SEGMENTED INFORMATION

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

	Canada	United States	TOTAL
	$	$	$
Six months ended June 30, 2023			
Net income (loss)	1,575,821	(6,731)	1,569,090
As at June 30, 2023			
Current assets	14,728,933	2,029,057	16,757,990
Non-current assets	102,892	39,900,155	40,003,047
Total liabilities	317,201	230,451	547,652

	Canada	United States	TOTAL
	$	$	$
Six months ended June 30, 2022			
Net loss	(610,188)	(436,864)	(1,047,052)
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. DISPOSITION OF ASSETS UPON SPINOUT

On June 6, 2023, the Company completed a spin-out of its Canadian gold property assets (the "Gold Projects") into a new company, Onyx Gold Corp. ("Onyx Gold") and in exchange shares of Onyx Gold were distributed to the Company and the Company's shareholders.

The spin-out was conducted by way of a plan of arrangement (the "Arrangement") under the British Columbia Business Corporations Act. Pursuant to the Arrangement, the Company received 5,000,000 Onyx Gold shares and the shareholders of the Company received an aggregate of 21,920,214 Onyx shares, distributed on a basis of one Onyx Gold share for every four shares of the Company held.

The following net assets of the Gold Projects were spun-out as of June 6, 2023 and no longer form part of the Company's net assets:

	$
Cash and cash equivalents	50,618
Amounts receivable	118
Prepaid expenses	1,200
Munro-Croesus Property	12,701,408
Golden Mile Property	1,113,228
Timmins South Property	1,934,005
Yukon Land Position and Joint Venture	94,007
Accounts payable and accrued liabilities	(14,654)
	15,879,930

On the basis that an accurate and fair valuation of these properties, individually and in the aggregate, is not otherwise reasonably determinable, the Company has recorded these dispositions to Onyx Gold using the current deferred mineral property costs applicable to each. Accordingly, no gain or loss has been recognized herein.

13. EVENT SUBSEQUENT TO THE END OF THE PERIOD

Shares Issued for Property Payment

Subsequent to the six months ended June 30, 2022, the Company issued 80,000 shares, as part of the final payment on the purchase of 255 mining claims which were part the Company's formerly owned Timmins South mining claims. The shares issued were valued at $36,800 for accounting purposes.