



**HIGHGOLD MINING INC.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

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

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 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 interim financial statements established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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**HIGHGOLD MINING INC.****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2019**(Expressed in Canadian dollars)

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**ASSETS****Current**

Cash	\$	18,882
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	\$	18,882

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**LIABILITIES AND SHAREHOLDERS' EQUITY****Liabilities**

Due to parent company (Note 4)	\$	20,000
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**Shareholder's equity**

Share capital (Note 5)		100
Deficit		<hr/> (1,218)

<b>Total shareholders' equity</b>		<hr/> (1,118)
	\$	<hr/> 18,882

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**Subsequent events** (Note 7)**Approved on behalf of the Board of Directors of HighGold Mining Inc.***'Aris Morfopoulos'*

Director

*'Darwin Green'*

Director

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

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**HIGHGOLD MINING INC.****CONDENSED INTERIM STATEMENT OF LOSS****FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO JUNE 30, 2019**(Expressed in Canadian dollars)

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**EXPENSES**

Bank charges	\$	168
Listing and filing fees		<u>1,050</u>
<b>Net loss for the period</b>	<b>\$</b>	<b>(1,218)</b>
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Basic and diluted loss per share	\$	(12.18)
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Weighted average number of common shares outstanding		100

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

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**HIGHGOLD MINING INC.****CONDENSED INTERIM STATEMENT OF CASH FLOWS****FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO JUNE 30, 2019**

(Expressed in Canadian dollars)

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss for the period	\$ (1,218)
Net cash used in operating activities	<u>(1,218)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Common shares issued	100
Loan from parent company (Note 4)	<u>20,000</u>
Net cash provided by financing activities	<u>20,100</u>
<b>Change in cash during the period</b>	18,882
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ 18,882</u>

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

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**HIGHGOLD MINING INC.**
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**
**FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO JUNE 30, 2019**

(Expressed in Canadian dollars)

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	Share Capital		Deficit	Total
	Number of Shares	Amount		
<b>Balance, April 16, 2019</b>	-	\$ -	\$ -	\$ -
Common shares issued	100	100	-	100
Loss for the period	-	-	(1,218)	(1,218)
<b>Balance, June 30, 2019</b>	<b>100</b>	<b>\$ 100</b>	<b>\$ (1,218)</b>	<b>\$ (1,118)</b>

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

**HIGHGOLD MINING INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO JUNE 30, 2019**

(Expressed in Canadian dollars)

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**1. CORPORATE INFORMATION**

HighGold Mining Inc. (the 'Company' or 'HighGold') was formed on April 16, 2019 under the laws of British Columbia. It is a wholly owned subsidiary of Constantine Metal Resources Ltd. ("Constantine" or the "Parent").

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

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

HighGold will obtain assets and a distribution of shareholders sufficient to facilitate the intended subsequent listing of its common shares for trading on the TSX Venture Exchange.

**2. BASIS OF PREPARATION****a) Statement of compliance**

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

The policies applied in these condensed interim financial statements are based on IFRS issued as at August 28, 2019, the date the Board of Directors of the Parent approved these financial statements.

**b) Basis of measurement**

These financial statements have been prepared on a historical basis.

**c) Presentation and functional currency**

These financial statements have been prepared in Canadian dollars, which is the Company's functional currency.

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HIGHGOLD MINING INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

(Expressed in Canadian dollars)

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Financial instruments** - All financial assets are initially recognized at fair value and subsequently recognized according to their classification. The classification depends on the intention with which the financial instruments were acquired and their characteristics. Unless specific circumstances permitted under IFRS are present, the classification is not modified after initial recognition.

**Hierarchy of fair value measurements** - The Company classifies its financial assets and liabilities measured at fair value into three levels according to the observability of the inputs used in their measurement.

**Level 1** - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

**Level 2** - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

**Level 3** - Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**Financial assets** - The Company classifies its cash as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss ["FVTPL"] - Financial assets classified as assets held for trading are recognized at fair value at each reporting period date, and any change in the fair value is reflected in profit or loss in the period during which these changes take place.

**Equity instruments** - Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument.



**HIGHGOLD MINING INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCEPTION APRIL 16, 2019 TO JUNE 30, 2019**

(Expressed in Canadian dollars)

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**4. LOAN FROM PARENT**

The Company received a \$20,000 loan from its Parent in May 2019. The loan is repayable on demand, with no interest or specific terms of repayment.

**5. SHARE CAPITAL**

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

**6. COMPARATIVE FINANCIAL STATEMENTS**

As the Company was incorporated on April 16, 2019 there are no comparative financial statements.

**7. SUBSEQUENT EVENTS**

A plan of arrangement (the "Arrangement") between Constantine and the Company was completed on August 1, 2019. Under the terms of the Arrangement, Constantine transferred its gold assets to the Company, and Constantine shareholders received one common share of the Company for every three common shares of Constantine held. A total of 15,118,075 common shares of the Company were issued pursuant to the Arrangement. Under the terms of the Arrangement, there will also be 1,092,916 common shares of the Company issuable upon exercise of the outstanding stock options of Constantine and 4,901,960 common shares of the Company upon exercise of the outstanding warrants of Constantine.

In August 2019, the Company completed a \$200,000 private placement consisting of 1,000,000 units of the Company ("Units") at a price of \$0.20 per Unit. Each Unit consists of one common share of the Company and one half of one non-transferable common share purchase warrant (each whole warrant, a "Seed Round Warrant"), with each Seed Round Warrant exercisable to purchase one HighGold Share at a price of \$0.45 for a period of five years from the date of closing of the financing.