



**HIGHGOLD MINING INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2020



## HIGHGOLD MINING INC.

Management's Discussion and Analysis  
For the Three Months Ended March 31, 2020  
(Expressed in Canadian Dollars)

---

### GENERAL

The information in this Management's Discussion and Analysis ("MD&A") is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of HighGold Mining Inc. (the "Company" or "HighGold"). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2020 and the audited consolidated financial statements of the Company for the period from inception on April 16, 2019 to December 31, 2019, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's consolidated financial statements for the three months ended March 31, 2020 and for the period from inception on April 16, 2019 to December 31, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

HighGold is a mineral exploration company focused on premier high-grade gold projects located in North America. HighGold's flagship asset is the high-grade Johnson Tract Gold (Zn-Cu) Project located in south-central Alaska, USA. The Company also controls an extensive portfolio of quality gold projects in the greater Timmins gold camp, Ontario, Canada that includes the Munro-Croesus Gold property, which is renowned for its high-grade mineralization, and the large Golden Mile and Golden Perimeter properties. HighGold's experienced Board and senior management team, are committed to providing shareholder value through discovery, careful stewardship of capital, and environmentally and socially responsible mineral exploration activities.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("TSX-V") under the symbol HIGH and US Over-the-Counter market under the symbol HGGOF.

This MD&A has taken into account information available up to and including May 27, 2020.

The head office and principal business address of the Company is Suite 320 – 800 West Pender St., Vancouver, BC, V6C 2V6.

### HIGHLIGHTS

- Release of HighGold's first NI43-101 mineral resource estimate for the Alaska Johnson Tract Deposit which includes an Indicated Mineral Resource Estimate of 750,000 ounces gold equivalent ("AuEq") at 10.9 g/t AuEq and an Inferred Mineral Resource Estimate of 134,000 ounces AuEq at 7.2 g/t AuEq (for further details, see page 4)
- \$400,212 cash received from exercise of 571,731 warrants at \$0.70 each.



## HIGHGOLD MINING INC.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

- Addition of Anne Labelle to Company's Board of Directors in March 2020. Ms. Labelle's experience adds considerable strength to the Board in the fields of governance, sustainability, and project permitting.
- Completion of diamond drill program on Timmins, Ontario Golden Perimeter property and partial completion of drill program on Munro-Croesus property (temporarily suspended in March 2020 due to COVID-19 pandemic).
- The Ontario drilling identified high-grade gold in a Croesus-like vein away from the historic workings at Munro-Croesus and widespread gold mineralization at Golden Perimeter over an 850-meter long trend consisting of gold bearing quartz veins in intrusive host rocks.

### BACKGROUND

HighGold was spun out of Constantine Metal Resources Ltd. ("Constantine") on August 1, 2019 by a plan of arrangement (the "Arrangement"), with the Company acquiring all of Constantine's non-core gold assets on a tax-deferred basis. The Arrangement between Constantine and the Company was completed whereby each Constantine shareholder received one share of HighGold for each three shares of Constantine held at the specified record date. A total of 15,118,075 shares of the Company were issued pursuant to the Arrangement.

HighGold began trading on the TSX-V on September 23, 2019 under the ticker "HIGH". Concurrent with the exchange listing, the Company closed a non-brokered private placement of \$7,650,000. To the date of this report, HighGold has raised gross proceeds of \$17,154,000 in three rounds of financing, as follows:

Date	Amount	Shares Issued	Price	Warrants
August 20, 2019 <sup>(1)</sup>	\$200,000	1,000,000	\$0.20	½ @ \$0.45 5-year term
September 23, 2019	\$7,650,000	17,000,000	\$0.45	½ @ \$0.70 2-year term
December 5, 2019 <sup>(2)</sup>	\$2,304,000	1,280,000	\$1.80	N/A
December 5, 2019	\$7,000,000	5,600,000	\$1.25	N/A

(1) Seed round completed by management and directors.

(2) Flow-through financing at premium to market.

## EXPLORATION PROPERTIES

### Overview

HighGold holds a portfolio of USA (Alaska) and Canadian (Ontario) gold assets in two of the most politically stable mining jurisdictions in the world, both of which have a history of high-grade gold results and substantial exploration upside. The most advanced of these assets is the 21,000-acre Johnson Tract property, located in coastal southcentral Alaska, in the Cook Inlet region. The Company also controls an extensive portfolio of quality gold projects in the greater Timmins gold camp, located in Ontario, that includes the Munro-Croesus Gold property, which is renowned for its high-grade mineralization, and the large Golden Mile and Golden Perimeter properties.

### Johnson Tract Property

The large, 21,000-acre Johnson Tract property is located near tidewater, 125 miles (200 kilometers) southwest of Anchorage. It includes the high-grade Johnson Tract Gold (Zn-Cu) deposit along with excellent exploration potential indicated by several other prospects over a 12-kilometer strike length. Prior to HighGold, the project was last explored in the mid-1990s by a mid-tier mining company that evaluated direct shipping gold mineralized material from Johnson to the Premier Mill near Stewart, British Columbia.

HighGold acquired Johnson Tract through a lease agreement with Cook Inlet Region, Inc. ("CIRI") an Alaska Native regional corporation that is the largest private landowner within the Cook Inlet region. The Johnson Tract property is an inholding in Lake Clark National Park and was conveyed to the CIRI Native Corporation under the terms of the Alaskan Native Claims Settlement Act (ANSCA) and the Cook Inlet Land Exchange. Ratified by an act of Congress CIRI is entitled to transportation and port easements through Park lands for mineral extraction.

### *2020 Johnson Tract Maiden Mineral Resource Estimate*

HighGold completed its first NI43-101 mineral resource estimate for the Johnson Tract Deposit ("JT Deposit") in April 2020, prepared by independent Qualified Person James N. Gray of Advantage Geoservices Ltd. The resource estimate is based on drilling completed by HighGold in 2019 and historic drilling carried out by previous operators from 1982 to 1993.

### *JT Deposit Mineral Resource Highlights*

- Indicated Resource of **2.14 million tonnes ("Mt") grading 10.93 grams per tonne ("g/t") gold equivalent ("AuEq") for 750,000 ounces AuEq**
- Additional Inferred Resource of **0.58 Mt grading 7.16 g/t AuEq for 134,000 ounces AuEq**
- The deposit includes a high-grade core of 1.25 Mt Indicated grading 14.54 g/t AuEq for 583,000 ounces AuEq at an 8 g/t AuEq cut-off
- 79% of total resource tonnage in the Indicated category, including 85% of the total AuEq ounces
- Steeply dipping deposit with typical horizontal thickness of 25 to 50 meters, strike length of 300 meters and excellent continuity of grade from surface to a depth of 275 meters

**HIGHGOLD MINING INC.**

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

- Resource open to expansion and multiple high-priority targets located nearby, including the prime Northeast Offset target that is believed to be the fault-displaced continuation of the JT Deposit
- High metal recoveries and concentrates low in deleterious elements are predicted based on past metallurgical test work, including forecasted total gold recovery of up to 96%

*JT Deposit Mineral Estimate at 4.0 g/t AuEq Cut-off*
*(effective date April 29, 2020)*

Category	Tonnes (000s)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)
<b>Indicated</b>	2,135	6.07	5.8	0.57	0.80	5.85	<b>10.93</b>
<b>Inferred</b>	581	2.05	8.7	0.54	0.33	6.67	7.16
<b>Contained Metal</b>							
Category		Au (koz)	Ag (koz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	AuEq (koz)
<b>Indicated</b>		417	397	26.8	37.6	275.3	750
<b>Inferred</b>		38	162	6.9	4.2	85.5	134

**Notes**

1. Includes all drill holes completed at JT Deposit, with drilling completed between 1982 and most recently as September 2019
2. Gold Equivalent ("AuEq") is based on assumed metal prices and 100% recovery and payabilities for Au, Ag, Cu, Pb, and Zn
3.  $AuEq\ equals = Au\ g/t + Ag\ g/t \times 0.012 + Cu\% \times 1.422 + Pb\% \times 0.508 + Zn\% \times 0.610$
4. Assumed metal prices are US\$1350/oz for gold (Au), US\$16/oz for silver (Ag), US\$2.80/lb for copper (Cu), US\$1.00/lb for lead (Pb), and US\$1.20/lb for zinc (Zn) and are based on nominal 3-year trailing averages as of April 1, 2020
5. An average bulk density value of 2.84 used as determined by conventional analytical methods for assay samples
6. Capping applied to assays to restrict the impact of high-grade outliers
7. A 4 g/t AuEq cut-off was deemed appropriate for assumed underground mining and mineral processing methods while providing adequate continuity of mineralized blocks
8. Mineral resources as reported are undiluted
9. Mineral resource tonnages have been rounded to reflect the precision of the estimate
10. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability

In addition to attractive grades and favourable metallurgy, the JT Deposit has several attributes that are considered attractive for underground development, including excellent width, strong continuity, subvertical geometry, and geotechnically competent mineralization. The resource is viewed as an excellent starting point for the Company on the project and focus will now turn to further drilling, with the intent of expanding the JT Deposit and testing multiple well-developed peripheral targets.

Timmins, Ontario Properties

HighGold has 100% ownership of three properties in the Timmins, Ontario gold camp: the Munro-Croesus property, the Golden Mile property and the Golden Perimeter property. The properties can be explored year-round, with winter months particularly favorable for drilling when frozen conditions enhance access. A planned 5000m, two-rig drill program was initiated in February 2020 to include drilling on all three of HighGold's Ontario properties. The program was suspended prematurely on March 17, 2020 in response to the COVID-19 pandemic, after completing a total of 2,524 meters consisting of:

**HIGHGOLD MINING INC.**

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

- (i) completion of all planned drill meters at the Golden Perimeter property,
- (ii) completion of one-third of planned drill meters at the Munro Croesus property, and
- (iii) none of the planned drill meters at the Golden Mile property.

The program was wound down in an orderly fashion with respect to materials, personnel and information and in such a way that it can be restarted efficiently at some point later in the year. Work on the Ontario projects is primarily funded by proceeds from a flow-through financing which, under normal circumstances, must be spent by the last day of 2020. As at March 31, 2020, the Company has incurred over \$750,000 of eligible flow-through expenditures on its Ontario properties.

*Munro-Croesus Property*

The Munro-Croesus Gold Project is located approximately 75 kilometers (47 miles) east of Timmins, Ontario along Highway 101. The 100% owned land package includes the past-producing Croesus Mine, which yielded some of the highest-grade gold ever mined in Ontario. The highly prospective geology is proximal to the Porcupine-Destor Deformation Fault Zone and Pipestone Fault and located approximately three kilometers (1.9 miles) northwest and along trend of Pan American Silver's multi-million ounce Fenn-Gib gold deposit. Since discovery in 1914, the Croesus Mine property has spent the majority of its history in private hands, with limited modern exploration conducted to date across the greater project area.

*Munro-Croesus 2020 Drilling Highlights*

- Croesus-like vein intersected 80m southeast of the shaft returning **29.1 g/t gold over 0.30m** at a downhole depth of 90.7m in hole MC20-33
- The observed vein in MC20-33 was 30m down-dip of historic drill intersections of **76.42 g/t Au over 0.10m and 69.59 g/t Au over 0.15m** that collectively define a well-mineralized vein structure with similar orientation to the main Croesus vein located on the north side of the Croesus fault.
- Hole MC20-33 is the only completed and sampled hole of the 2020 program to have tested this vein structure, which may represent the fault offset equivalent of the mined-out Croesus vein.
- Future drilling will test areas where this vein has the potential to expand into wider, bonanza-grade type mineralization for which the mine was known.

*Golden Perimeter Property*

This 100%-owned, 11,900-hectare (29,400 acre) property is located approximately 30 kilometers southeast of several major gold producing mines in Timmins. The property covers several intrusive bodies hosted by Tisdale komatiites and mafic volcanic rocks and is prospective for both alkalic disseminated gold and orogenic vein-hosted gold mineralization.

*Golden Perimeter 2020 Drilling Highlights*

- Reconnaissance-style drilling at the Company's first exploration program at Golden Perimeter has identified widespread gold mineralization over an 850-meter long trend consisting of gold ± silver bearing quartz veins in a variable altered and pyritic monzonite intrusion, including:
  - 10.30 g/t Au and 42.80 g/t Ag over 0.2 meters



## HIGHGOLD MINING INC.

Management's Discussion and Analysis  
For the Three Months Ended March 31, 2020  
(Expressed in Canadian Dollars)

---

- 2.30 g/t Au over 0.9 meters
- 0.50 g/t Au over 4.7 meters
- 4.04 g/t Au over 0.3 meters
- 4.82 g/t Au and 57.50 g/t Ag over 0.3 meters

### *Golden Mile Property*

This 86 square kilometer (33 square mile) property is located nine kilometers (5.6 miles) northeast of Newmont-Goldcorp's multi-million-ounce Hoyle Pond deposit in the Timmins gold camp, northeast Ontario. The property covers the extension of the Pipestone Fault System on the north margin of the Timmins gold camp that has produced more than 55 million ounces of gold to date.

HighGold did not complete any of the planned 1,000 meters of drilling at Golden Mile property due to the early suspension of the winter drill program.

### **CORONAVIRUS GLOBAL PANDEMIC**

In the first quarter of the current year, 2020, global capital markets experienced an unprecedented set of circumstances caused by the worldwide outbreak of the human virus, COVID-19. Canadian and global travel restrictions were imposed mid-way through the first quarter and have extended to the date of publication. For the junior mining and exploration sector, the imposition of 'shelter in place' restrictions have delayed, curtailed and/or cancelled exploration activities up to the time of this publication. For HighGold, these travel and shelter in place restrictions saw the Company terminate its ongoing drill program at two of its three Timmins, Ontario properties in March 2020 with plans to return later in the year after COVID-19 related restrictions have been relaxed. The Company awaits a decision from market regulators on the possible extension of the expenditure of flow-through funds beyond the normal timeframe for expenditure within the Canadian income tax rules. HighGold has yet to feel the effects of the travel restrictions on field exploration plans for the Alaska prospects as the Alaska field season is due to begin in late June to early July. The State of Alaska has deemed mining and exploration to be an essential business to support critical infrastructure. With a plan in place for keeping employees, contractors and communities safe, the Company's Alaska exploration season is projected to commence in late June 2020, with appropriate COVID-19 transmission mitigation protocols in place for personnel traveling to and from the exploration camp.

All face-to-face investor marketing (roadshows and investor conferences) continue to be cancelled or converted to virtual conferences into the second quarter and may extend through to the end of this year. Fees paid for an industry marketing event will be applied to a subsequent event in lieu of those cancelled. HighGold continues to market to new investors and update current investors through these virtual events while measuring the success and value of each event to determine future participation, as was already its routine for in-person events.

The implications of this adverse global event on the broader market and the general economy are unclear at this point. Both physical gold and gold equities continue to hold relatively strong compared to other market sectors and investor demand for both has increased over the past several months of global disruption.



## HIGHGOLD MINING INC.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

### RESULTS OF OPERATIONS

#### **Exploration and Evaluation Property Expenditures**

During the three months ended March 31, 2020, the Company recorded expenditure additions of \$784,625 on exploration and evaluation properties. The Johnson Tract property, Munro-Croesus property and Golden Perimeter property accounted for \$100,212, \$247,823 and \$394,519 of these expenditures, respectively.

#### **Operating Costs**

The net loss for the three months ended March 31, 2020 was \$105,203. Significant expenses include:

- Consulting fees of \$100,000 consisting of strategic advisory fees related to financial and advisory market services during the period. Please refer to "Transactions with Related Parties" section for additional information.
- Office and miscellaneous expenses of \$90,364, mainly consisting of general head office expenses and the cost of participating in mining investment conferences and roadshows.
- Professional fees of \$42,830, relating to legal fees of \$25,130, and fees of \$17,700 related to accounting services provided to the Company.
- Salaries, wages and benefits of \$138,098, paid to officers and employees of the Company. Please refer to "Transactions with Related Parties" section for additional information.
- Share-based compensation of \$436,251, relating to grant of 1,330,000 stock options during the period and vesting of stock options previously granted during the prior period.

During the three months ended March 31, 2020, the Company recorded interest income of \$54,924 related to the Company's investment in short-term bank certificates and other income of \$704,000 related to the recovery of flow-through premium liability upon renouncement of the expenses.

### SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain consolidated financial information of the Company since its inception:

	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended September 30, 2019	Period from inception April 16, 2019 to June 30, 2019
Revenue <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(105,203)	(654,009)	(669,351)	(1,218)
Total assets	18,699,910	19,065,716	11,985,268	1,882
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)	\$ (0.06)	\$ (12.18)

(1) The Company has no sales revenues.

**HIGHGOLD MINING INC.**

Management's Discussion and Analysis  
 For the Three Months Ended March 31, 2020  
 (Expressed in Canadian Dollars)

---

**Quarterly Results – General Trend**

The Company's operating expenses for the period from April 16, 2019 to December 31, 2019 included a significant amount of non-recurring costs, (ie. professional fees). The Company projects that the level of such expenses will decrease significantly in the upcoming year. Exploration expenses are projected to increase significantly in 2020, as the Company proceeds with exploration programs on its Ontario properties and a summer exploration program on the Johnson Tract project in Alaska. The extent of the effect of the current Coronavirus pandemic on the Company's 2020 exploration plans is still unknown, but it is the Company's intention to complete as much of its exploration programs as possible before the end of the year.

**FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2020, the Company had current assets of \$11,782,899 (December 31, 2019 - \$12,933,330), including cash and cash equivalents of \$11,320,230 (December 31, 2019 - \$12,601,200) and \$465,747 (December 31, 2019 - \$1,349,261) in total liabilities.

During the three months ended March 31, 2020, the Company used \$899,177 in cash for operating activities. The Company also used \$568,453 in cash for exploration and evaluation expenses mainly spent on the Johnson Tract, Munro-Croesus and Golden Perimeter properties.

In the three months ended March 31, 2020, the Company received \$147,119 related to the exercise of 143,744 stock options and \$40,600 related to the exercise of 58,000 share purchase warrants. Total cash provided by financing activities was \$186,660.

The financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

**FINANCIAL INSTRUMENTS**
**Classification of financial instruments**

	Ref.	March 31, 2020	December 31, 2019
		\$	\$
Financial assets at amortized cost	(a)	11,400,325	12,635,454
Financial liabilities at amortized cost	(b)	465,747	645,261

(a) Comprised of cash and interest receivable

(b) Comprised of accounts payable, accrued liabilities and loans payable.

The fair value of the Company's financial assets approximates the carrying amount.

**Management of Industry and Financial Risk**

The Company's financial instruments are exposed to certain financial risks, which include the following:

***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill 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.

***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, 2020, the Company has working capital of \$11,317,152 (December 31, 2019 - \$11,584,069). There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

***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 currently hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

***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.

***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.

***Capital management***

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2020, the Company's shareholders' equity totalled \$18,234,163 (December 31, 2019 - \$17,716,455). The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future



## HIGHGOLD MINING INC.

Management's Discussion and Analysis  
For the Three Months Ended March 31, 2020  
(Expressed in Canadian Dollars)

---

liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses acquired from Constantine.

The Company is not subject to externally imposed capital requirements as at March 31, 2020 except when the Company issues flow-through shares for which the amount should be used for exploration work. On December 5, 2019, the Company completed a flow-through private placement totalling \$2,304,000. As at March 31, 2020, the Company incurred \$757,444 (December 31, 2019 - \$128,889) in eligible exploration and evaluation expenditures and consequently the Company has the obligation to incur a remaining balance of \$1,546,556 (December 31, 2019 - \$2,175,111) in exploration and evaluation expenditures no later than December 31, 2020.

There were no changes to the Company's approach to capital management during the period ended March 31, 2020.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements and no long-term debt obligations.

### **TRANSACTIONS WITH RELATED PARTIES**

As at March 31, 2020, the Company had a total of \$11,171 (December 31, 2019 - \$8,028) payable to Mr. Darwin Green, Chief Executive Officer and a director of the Company, in the amount of \$8,499 (December 31, 2019 - \$Nil) and Ms. Naomi Nemeth, VP Investor Relations, in the amount of \$2,672 (December 31, 2019 - \$8,028) for outstanding expense reimbursements payable, respectively.

During the three months ended March 31, 2020, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$60,000 to Mr. Darwin Green, the Chief Executive Officer and a director of the Company.

During the three months ended March 31, 2020, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$24,000 to Mr. Aris Morfopoulos, Chief Financial Officer and a director of the Company.

During the three months ended March 31, 2020, the Company paid/accrued salaries, wages and benefits included in exploration and evaluation expenditures of \$52,226 to Mr. Ian Cunningham-Dunlop, VP Exploration of the Company.

During the three months ended March 31, 2020, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$45,000 to Ms. Naomi Nemeth, VP Investor Relations of the Company.



**HIGHGOLD MINING INC.**

Management's Discussion and Analysis  
 For the Three Months Ended March 31, 2020  
 (Expressed in Canadian Dollars)

During the three months ended March 31, 2020, the Company paid fees of \$100,000 to a consulting firm partnership for financial, capital markets and strategic advisory services. Mr. Michael Gray, a director of the Company, is a partner of the firm, although he was not involved in providing any of its services to the Company.

During the three months ended March 31, 2020, the Company recorded a total share-based compensation of \$313,213 related to stock options granted during the period and vesting of stock options previously granted to officers and directors of the Company.

**OUTSTANDING SHARE DATA**

The following table shows the Company's share capital data as at March 31, 2020:

	<b>Balance</b>
Common shares issued pursuant to the Plan of Arrangement with Constantine	15,118,075
Common shares issued through private placement (at \$0.20 per share)	1,000,000
Common shares issued through private placement (at \$0.45 per share)	17,000,000
Flow-through common shares issued through private placement (at \$1.80 per share)	1,280,000
Common shares issued through a private placement (at \$1.25 per share)	5,600,000
Common shares issued on exercise of stock options (at \$0.45 per share)	25,000
Common shares issued on exercise of stock options (at \$0.86 per share)	68,747
Common shares issued on exercise of stock options (at \$1.16 per share)	49,998
Common shares issued on exercise of stock options (at \$1.20 per share)	24,999
Common shares issued on exercise of warrants (at \$0.70 per share)	58,000
<b>Total issued and outstanding</b>	<b>40,224,819</b>
Common shares issuable upon exercise of Constantine's carry-over stock options (at \$0.86 - \$1.59 per share) <sup>(1)</sup>	742,903
Common shares issuable upon exercise of Constantine's carry-over warrants (at \$2.15 per share)	4,901,956
Stock options (at \$0.45 per share)	1,575,000
Stock options (at \$1.00 per share)	1,330,000
Warrants issued through private placement (at \$0.45 per share)	500,000
Warrants issued through private placement (at \$0.70 per share)	8,442,000
<b>Fully diluted</b>	<b>57,716,678</b>

(1) On November 1, 2019, under the terms of the Plan of Arrangement with Constantine, the Company issued 1,092,892 stock options to Constantine option-holders, which represents one stock option for every three Constantine options held as of the record date of the Arrangement.



HIGHGOLD MINING INC.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

The following table shows the Company's share capital data as of the date of this MD&A:

	<b>Balance</b>
Common shares issued pursuant to the Plan of Arrangement with Constantine	15,118,075
Common shares issued through private placement (at \$0.20 per share)	1,000,000
Common shares issued through private placement (at \$0.45 per share)	17,000,000
Flow-through common shares issued through private placement (at \$1.80 per share)	1,280,000
Common shares issued through private placement (at \$1.25 per share)	5,600,000
Common shares issued on exercise of stock options (at \$0.45 per share)	25,000
Common shares issued on exercise of stock options (at \$0.86 per share)	68,747
Common shares issued on exercise of stock options (at \$1.16 per share)	49,998
Common shares issued on exercise of stock options (at \$1.20 per share)	24,999
Common shares issued on exercise of warrants (at \$0.70 per share)	510,065
<b>Total issued and outstanding</b>	<b>40,676,884</b>
Common shares issuable upon exercise of Constantine's carry-over stock options (at \$0.86 - \$1.59 per share)	742,903
Common shares issuable upon exercise of Constantine's carry-over warrants (at \$2.15 per share)	4,901,956
Stock options (at \$0.45 per share)	1,575,000
Stock options (at \$1.00 per share)	1,330,000
Warrants issued through private placement (at \$0.45 per share)	500,000
Warrants issued through private placement (at \$0.70 per share)	7,989,935
<b>Fully diluted</b>	<b>57,716,678</b>

**Future Cash Requirements**

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

**RISKS AND UNCERTAINTIES*****Environmental risk***

Exploration and development projects are subject to the environmental laws and regulations of the state of Alaska and of the United States of America. As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

The Munro Croesus project includes the very small past producing Munro Croesus Gold Mine that mined approximately 5000 tons of ore. The Company has assumed the environmental liability at the Croesus minesite on the Munro Croesus property. To date it has not incurred any material expenses, however it does remain an uncertain liability. The Ontario government requires a closure plan if the claims are abandoned or become inactive and the closure plan will require some water sampling and site reclamation costs. The previous owner completed remediation of what the Company considers to be the major liabilities, which included capping the Walsh and Croesus shafts. The Croesus mine site was visited by a mines inspector in September 2010 and an inspection report received from the Ministry of Northern Development, Mines and Forestry (Ontario) in early 2011. The summary of field observations and recommendations in the Inspection Report are near surface stope stability concerns and recommendation for a crown pillar stability assessment. There is a specific near-term recommendation to secure the location of a small raise to surface that is filled with waste rock with a fence and signs and this remedial action has been taken. The small raise area was fenced and cautionary signage was installed. A preliminary evaluation of the near surface stope stability and a crown pillar stability assessment was completed by a qualified engineer, independent of the Company. The initial conclusion based on historic data and new information from drill data through the old workings and the recent excavation work is that the "old workings will stand for a long time" and that "surface subsidence would be minimal at the downdip edge of the zone and could be as much as 1 meter near the upper edge". Now that the crown pillar is exposed, a site visit by a qualified Ontario mining engineer is required with formal reporting of the conclusions to be made to the Ministry of Northern Development, Mines and Forestry (Ontario). Surface water samples upstream and downstream of the site have been recommended to determine water quality issues. No specific schedule has been established to carry out this work.

***Operational risk***

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third-party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

***Cyber security risk***

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

***Uninsured Risks***

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company's officers.

***Conflicts of Interest***

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

***Negative Operating Cash Flows***

As the Company is at the early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

***Risks Related as a Going Concern***

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time. However, management believes that the Company has sufficient resources on hand to fund its planned operations for the next 12 months and meet its obligations as they fall due.

***Reliance on Key Personnel and Advisors***

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

***Operating History and Expected Losses***

The Company expects to make significant investments in the near future on its acquired assets. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

***Growth of Management***

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

***Industry Risks***

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk-based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

***Metal Price Risk***

The principal activity of the Company is the exploration and development of precious metal and base metal resource properties. The feasible development of such properties is highly dependent upon the price of gold, silver, copper, lead and zinc. A sustained and substantial decline in precious metal and base metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.

***Political Risk***

The resource properties on which the Company is actively pursuing its exploration and development activities are located in Alaska, USA. While the political climate in Alaska is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. To alleviate such risk, the Company funds its operations on an as-needed basis. The Company does not presently maintain political risk insurance for its foreign exploration projects.

***Regulatory Risks***

The Company is subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

***Coronavirus Global Pandemic Risk***

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

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

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.

**CORPORATE GOVERNANCE**

The Company's Board and its committees follow the recommended corporate governance guidelines for public companies while tailored to its size and operations to ensure transparency and accountability to shareholders. The current Board is comprised of six individuals, two of whom are executive officers of the Company. The Audit Committee is comprised of three members, all of whom are independent directors of the Company.

**FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking



## HIGHGOLD MINING INC.

Management's Discussion and Analysis  
For the Three Months Ended March 31, 2020  
(Expressed in Canadian Dollars)

---

statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A includes, but is not limited to, forward-looking statements regarding the Company's upcoming exploration plans for the year, the meeting of its Canadian flow-through expenditure obligations and its ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

### **FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

During the three months ended March 31, 2020, there has been no significant change in the Company's internal control over financial reporting since its inception on April 16, 2019.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the three months ended March 31, 2020 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

### **APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Mr. Ian Cunningham-Dunlop, P. Eng., Vice-President Exploration, and a qualified person as defined by Canadian National Instrument 43-101, has reviewed the technical information contained in this MD&A.



HIGHGOLD MINING INC.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

---

#### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).