

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Though it is not free from doubt, Constantine believes that the Spin-out will likely be treated as a taxable Distribution. Provided the Spin-out is treated as a taxable Distribution, the U.S. federal tax consequences to Constantine shareholders should be determined under Internal Revenue Code Sections 301, 311 and 312. Constantine believes it was a passive foreign investment company for the year including October 31, 2019 and certain prior tax years. Accordingly, Code Sections 1291-1298 also apply to the Consolidation and Distribution.

18 Can any resulting loss be recognized? ► No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain recognized should be reported by shareholders for the taxable year which includes August 1, 2019 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2019 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ► /s/ Aris Morfopoulos Date ► January 16, 2020

Print your name ► Aris Morfopoulos Title ► CFO

Paid Preparer Use Only

Print/Type preparer's name John Hollinrake	Preparer's signature /s/ John Hollinrake	Date 1/16/2020	Check <input type="checkbox"/> if self-employed	PTIN PO1568530
Firm's name ► Dorsey & Whitney LLP	Firm's address ► Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104		Firm's EIN ► 41-0223337	Phone no. (206)903-8812

SCHEDULE A
CONSTANTINE METAL RESOURCES LTD. IRS FORM 8937
PERTAINING TO SECTION 14

On August 1, 2019, Constantine Metal Resources Ltd. ("Constantine") and HighGold Mining Inc., Constantine's wholly-owned subsidiary ("HighGold"), engaged in a spin-out arrangement (the "Spin-out"). Specifically, in the Spin-out, each Constantine shareholder transferred 22.1% of their common shares, rounded down to the nearest whole share, in exchange for an equal number of HighGold shares. Upon completion of the Spin-out, the number of Constantine shares held by each Constantine shareholder were then subdivided so that the aggregate number of Constantine shares following the Spin-out were equal to the aggregate number of Constantine shares prior to the Spin-out. In conjunction, the number of HighGold shares outstanding upon completion of the Spin-out were consolidated so that the number of HighGold shares following the consolidation were equal, or approximately equal, to one third of the Constantine shares outstanding following the post-Spin-out subdivision, rounded down in the case of each holder of HighGold shares to the nearest whole share. The Spin-out is described in full in the Management Information Circular of Constantine, dated June 27, 2019, which is available at www.sedar.com.

SCHEDULE B
CONSTANTINE METAL RESOURCES LTD. IRS FORM 8937
PERTAINING TO SECTION 15

Though it is not free from doubt, Constantine believes that the Spin-out will likely be treated, under the step transaction doctrine or otherwise, as a taxable distribution of HighGold shares under Code Section 301 (the “Distribution”). For purposes of this Form 8937, it is assumed that the Spin-out will be treated in the foregoing manner for U.S. federal income tax purposes.

Subject to certain passive foreign investment rules, shareholders of Constantine should have a basis in the HighGold shares received in the Spin-out equal to their fair market value at the time of Distribution. Constantine has not computed its current or accumulated earnings and profits under United States federal tax principles. As a result, shareholders should assume that the Distribution of HighGold shares is ordinary dividend income equal to the fair market value of the HighGold shares distributed.

Constantine believes it was a passive foreign investment company or “PFIC” (as defined under Code Section 1297) for the year including October 31, 2019 and certain prior tax years. Accordingly, certain special PFIC rules apply to the Consolidation and Distribution. The impact of the PFIC rules will depend on a shareholder’s specific circumstances, including whether the shareholder has filed a timely and effective “qualified electing fund” election under Code Section 1295 or a “mark-to-market” election under Code Section 1296. Shareholders should review the Management Information Circular filed on June 27, 2019 and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Distribution.