



1911 Gold Corporation

# Management Discussion and Analysis

(Expressed in thousands of Canadian dollars)

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**For the three months ended March 31, 2023**





This Management Discussion and Analysis (“MD&A”) is an overview of all material information about the operations, liquidity and capital resources of 1911 Gold Corporation (the “Company” or “1911 Gold”) for the three months ended March 31, 2023. The MD&A was prepared as of May 24, 2023 and should be read in conjunction with the unaudited condensed interim Consolidated Financial Statements for the three months ended March 31, 2023 and 2022 (the “Financial Statements”), the annual audited Consolidated Financial Statements for the years ended December 31, 2022 and 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), as well as the annual MD&As for the years ended December 31, 2022 and 2021. In this MD&A, references to grams per tonne and ounces per ton will be shown as g/t and oz/t. Additional abbreviations that may be used include metres (“m”) and tons per day (“tpd”). All references to ounces refer to gold ounces unless otherwise specified. In addition, throughout this MD&A the reporting periods for the three months ended March 31, 2023 and 2022 are abbreviated as Q1 2023 and Q1 2022, respectively. All dollar figures are in Canadian unless otherwise stated.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “AUMB” and in the United States on the OTCQX under the stock symbol “AUMBF”. Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website [www.1911gold.com](http://www.1911gold.com).

## OVERVIEW

1911 Gold is a junior explorer that holds a highly prospective, consolidated land package totalling 58,672 hectares within and adjacent to the Archean Rice Lake greenstone belt in Manitoba, and also owns the True North mine and mill complex at Bissett, Manitoba. 1911 Gold believes its land package provides a prime exploration opportunity, with potential to develop a mining district centered on the True North complex. The Company also owns the Apex property near Snow Lake, Manitoba, and the Tully and Denton-Keefer projects near Timmins, Ontario. The Company intends to focus on both organic growth opportunities and other strategic opportunities in North America.

## OPERATIONS AND QUARTERLY HIGHLIGHTS

In connection with a longer-term suspension of milling activity at the True North site, additional steps were taken to reduce sustaining costs required to maintain on-site facilities. This included additional reductions in personnel on site, moth-balling of buildings not required for planned exploration activities, and selling of equipment and inventory that can be readily acquired in the future when milling activities recommence.

The Company also completed the clean-out of the mill that had started in December 2022, recovering 478 ounces of gold for total proceeds of \$0.7 million, net of third-party contractor and refinery costs.

### Data Centre Agreements

Construction on the 8 megawatt (“MW”) data processing centres was completed in early February, with 2 MW energizing in the month of February and an additional 3 MW energizing during the month of March. These data centres are independently operated and maintained and utilize excess hydroelectric power available at site—up to 8 MW in total out of a permitted capacity of 11.5 MW—for the purposes of providing data processing services to third parties. With the 5 MW energized during the quarter, the Company received total proceeds of \$0.23 million, offset by an increase in electric power cost of \$0.17 million. There will be additional benefits through cost-sharing for both security and maintenance personnel once the data centres are fully operational, which is expected to be in late May or June, 2023.



## FINANCIAL AND OPERATION SUMMARY

Three months ended March 31	2023	2022
<b>Financial Results (in thousands)</b>		
Revenue	\$ 731	\$ 672
Cost of sales:		
Production costs	–	822
Depreciation and depletion	–	133
	731	(283)
General and Administrative Costs	163	613
Exploration expense	729	3,422
Other expenses	592	558
<b>Net Loss</b>	\$ (753)	\$ (4,876)
<b>Operating Results</b>		
Gold ounces sold	–	42
<b>Per Ounce Data</b>		
Average realized price	\$ –	\$ 2,299
<b>Per Share Data</b>		
Basic and diluted loss per share	\$ (0.01)	\$ (0.07)
Weighted average common shares outstanding	68,216,155	68,216,155
<b>Balance as of</b>	<b>March 31 2023</b>	<b>December 31 2022</b>
<b>Financial Position (in thousands)</b>		
Cash and cash equivalents	\$ 338	\$ 630
Total assets	33,486	34,163
Total liabilities	6,018	5,977
Shareholder equity	27,468	28,186

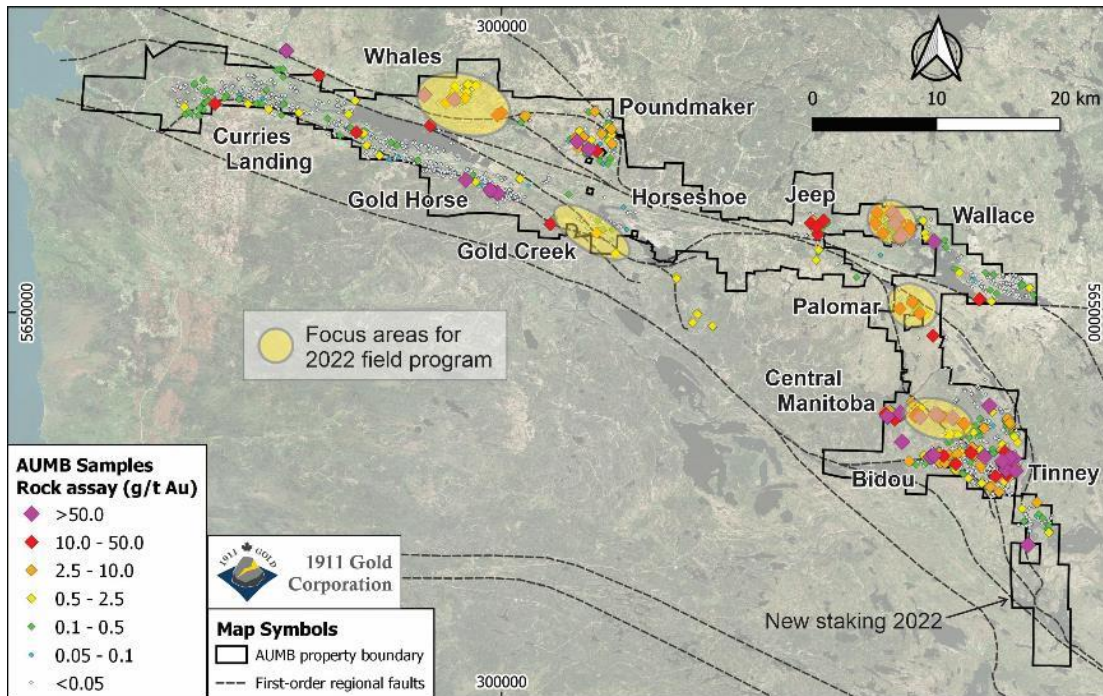
## EXPLORATION

The Company holds strategic exploration properties in Tier 1 mining districts in Manitoba and Ontario, Canada—areas with proven potential for world-class gold deposits—and is focused on advancing these assets to create long-term value for our shareholders.

The Company's 100%-owned Rice Lake exploration property, totalling 62,974 hectares after the ground staking completed in 2022, covers the most prospective portions of the Rice Lake greenstone belt (**Figure 1**), part of the same belt of greenstones that includes the world-class, high-grade Red Lake gold district, located approximately 100 kilometres to the east in Ontario. The Company's consolidated land position—the largest ever assembled in the belt—provides an unprecedented opportunity to evaluate this under-explored district at belt-scale, utilizing modern exploration methods.



**Figure 1:** Regional map of the Rice Lake property, showing the consolidated land position, major structures, project areas, results from rock sampling completed by the Company, areas of active exploration, and the area of new staking.



Exploration drilling in 2022 focused on following-up encouraging results from the Phase II exploration drilling completed in 2021, as well as testing a number of targets generated from field exploration programs and compilation of historical exploration data. In total, drilling completed included: 38 drillholes for 9,823 metres to test 11 new targets in the Central Manitoba, Tinney, Wallace, Bidou and Palomar project areas; 6 drillholes for 1,642 metres to test 4 new targets at the Apex (Snow Lake) project; and 12 drillholes for 3,246 metres to follow up on results of the 2021 drilling in the Tinney and Bidou project areas. The 2022 drilling was completed in two phases from January 11 to April 23, 2022 (35 drillholes for 9,199 metres) and from August 24 to November 18, 2022 (21 drillholes for 5,537 metres). The results from the first phase of drilling were released during the second and third quarter of 2022, with results from the second phase of drilling remaining pending receipt of assays from the lab.

In Q3 2022, the Company also staked an additional 4,282 hectares of mining claims (currently in 'pending' status) in the area of Garner and Gem lakes, extending the Company's land position more than 14 kilometres to the southeast, along major fault structures that parallel, and are geologically analogous, to the LP fault in the Red Lake district – host to the multi-million-ounce Dixie gold deposit.

## Central Manitoba project

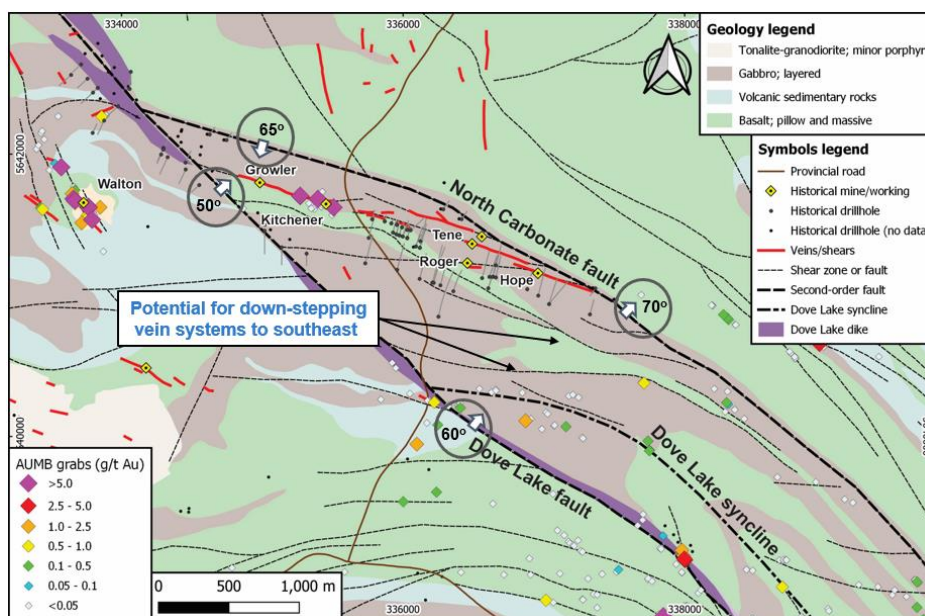
In 2021, initial compilation work and reconnaissance mapping were completed in the area of the historical Central Manitoba mine, which is the second-largest gold producer in the Rice Lake district with cumulative production of 160,000 ounces of gold between 1928 and 1938, from ore grading approximately 13 g/t Au. Compilation work included acquiring, digitizing and orthorectifying level plans of historical underground workings from microfiche rolls in the archives of the Manitoba Mines Branch. Also acquired were unpublished surface diamond drilling results from work completed by a previous operator between 2006 and 2009.

The historical workings indicate that although the mineralized structures were traced for over 2.5 kilometres along strike on surface, they were only mined to vertical depths of approximately 150 metres, which is highly unusual for vein-hosted gold

deposits of this type. Typically, such deposits extend at least as far to depth as they do along strike, strongly suggesting that residual depth potential may exist at Central Manitoba.

Historically, the mined veins at Central Manitoba were thought to have limited depth extents and potential due to the fact that they are bound to the southwest and northeast by two later, inward-inclined faults (**Figure 2**). While this appears to be the case in the immediate mine area, new and historical mapping indicates that towards the southeast these faults are inclined away from each other, suggesting significant residual potential may exist at depth, particularly toward the southeast where the faults bound a very thick panel of favourable rocks with no record of previous drilling.

**Figure 2:** Simplified map of the Central Manitoba mine area showing the general geology and structure, with the historically-defined vein and shear structures, and the locations of previous drillholes.



Reconnaissance mapping in 2021, followed up by more detailing mapping in 2022, also delineated several discrete shear zones that parallel the previously mined gold-bearing structures, defining an ‘en-echelon’ array that steps down toward the southeast. Many of these parallel structures have no record of previous drilling.

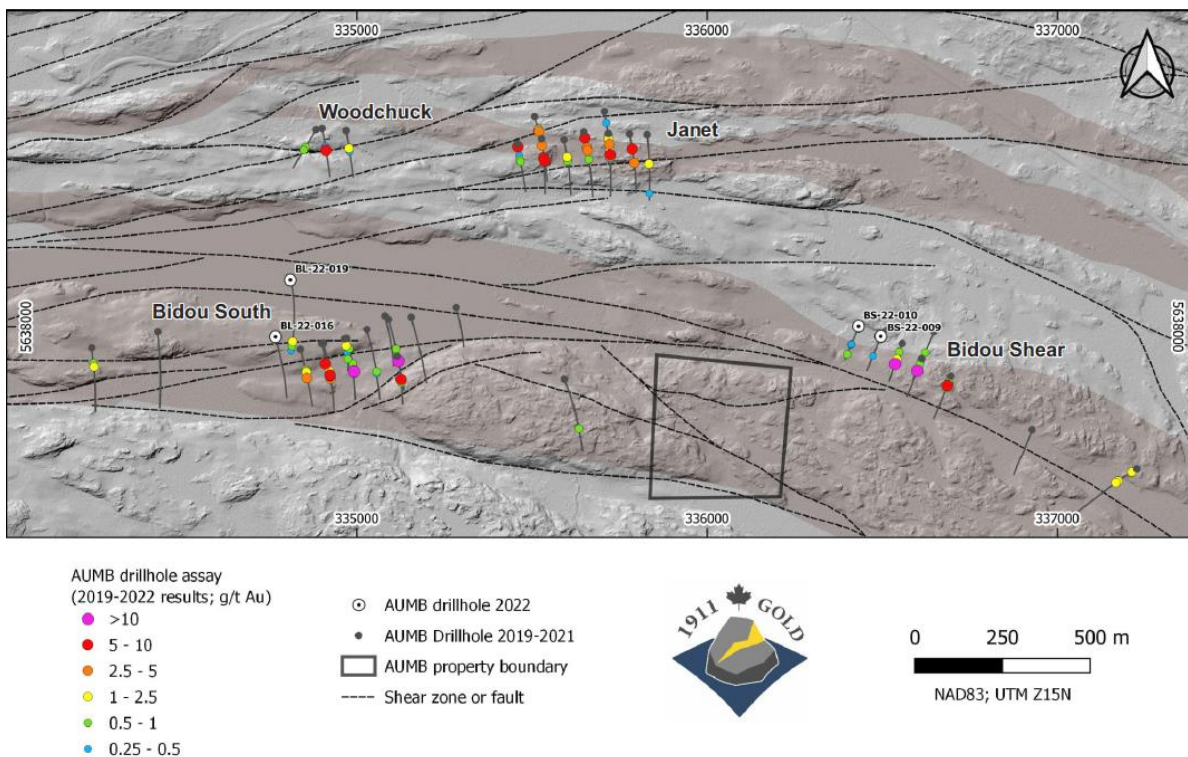
In 2022, the Company completed its maiden exploration drilling program at Central Manitoba to test for undiscovered extensions of mined veins in proximity to the historical workings, as well as down-plunge extensions of previous high-grade drill intercepts. This drilling is also testing several parallel structures, defined by mapping, that have no record of previous drilling. To the end of Q4 2022, 14 drill holes totaling 3,786 metres were completed at Central Manitoba, with assay results pending.

### Bidou project

The Bidou project area demonstrates stratigraphic and structural similarities to the 3-million-ounce True North deposit on the opposite (northwest) margin of the Ross River pluton yet has seen only limited previous exploration and drilling. At Bidou, a series of kilometre-scale structures, interpreted from aeromagnetic and LiDAR data, trend east or northeast through a sequence of basalt flows, gabbro sills, sedimentary rocks and felsic porphyry dikes. Where exposed in outcrop, these structures are similar in orientation, deformation style and sense of movement to the prolific ‘16-type’ structures that hosted high-grade ore at True North.

Drilling completed to date has been concentrated in the southern portion of the Bidou project (**Figure 3**), to test several structures that coincide with anomalous gold in outcrop or surficial sediments, particularly where such structures intersect chemically or structurally favourable rocks such as gabbro sills or porphyry dikes. Although all targets have produced gold intercepts, the most significant results, and consequently the bulk of the drilling, has been at the Bidou South target.

**Figure 3:** Simplified map of the Bidou project (southern portion), showing drillholes completed to date by the Company and significant gold intercepts. Priority areas for follow-up drilling in Q1-Q2 2022 were the Bidou South and Bidou Shear targets, with the locations of Priority 1 drillholes indicated.



Drilling at Bidou South confirmed the presence of gold mineralization hosted by a northeast-trending shear structure where it cuts across a very thick gabbro sill. The best intercepts appear to occur where this structure merges with a previously unrecognized structure that parallels the sill; the resulting intersection thus forms a steeply-plunging target that remains open at depth. Step-out drilling to the east along strike, from drill pads located on Bidou Lake, intersected encouraging structure, alteration and vein systems, but did not yield significant gold results.

Drilling in Q1-Q2 2022 was focused on the Bidou South and Bidou Shear targets, with the goal of extending known zones of gold mineralization and testing their down-plunge potential at points where favourable structures intersect favourable host rocks. Four drillholes, totalling 1,085 metres, were completed in Q1-Q2 2022, including the deepest drillhole to date at Bidou South, at 464 metres downhole depth.

Key Highlights from the 2022 drilling included:

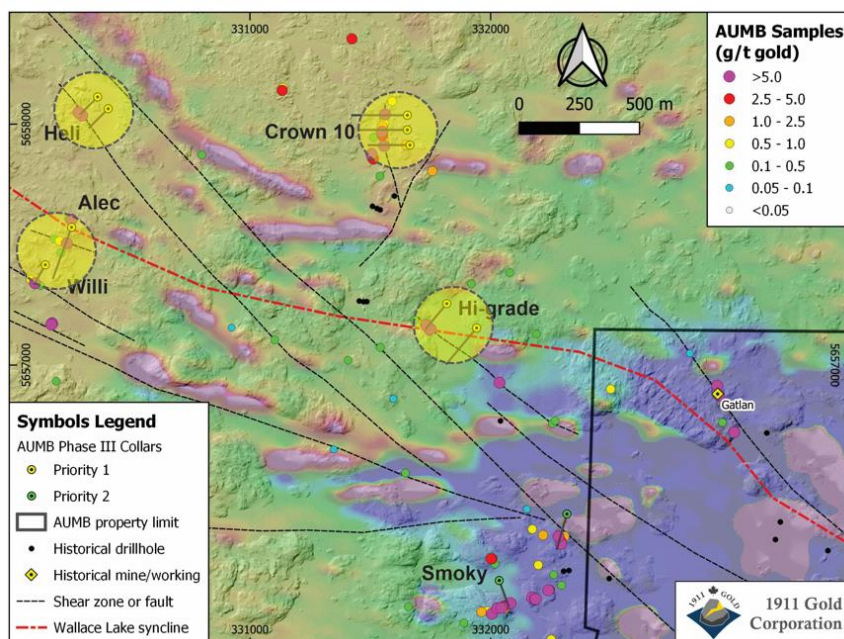
- Drillhole BL-22-019 at the South Bidou prospected which intersected nine metres of intensely sheared, altered, quartz-veined and sulphidized (pyrite, pyrrhotite, chalcopyrite, sphalerite) gabbro, and yielded consistent elevated gold values over 6.3 metres, with a weighted average grade of 0.6 g/t gold over that interval, confirming that the targeted structure remains open down plunge and along strike at this depth, and is gold-bearing.

- Two drillholes (BS-22-009, -010) completed along strike to the west of previous drillholes at Bidou Shear, both intersecting the targeted structure, defined by over 10 metres of strongly sheared, altered and quartz-veined sedimentary rocks, with BS-22-010 returning 0.5 g/t gold over 0.5 metres.

## Wallace project

At Wallace, several zones of gold mineralization were evaluated through outcrop stripping in 2021 and 2022, detailed mapping and channel sampling in order to further constrain the distribution and controls of gold mineralization and advancing several large-scale structures with potential to host significant gold-bearing vein systems.

**Figure 5:** Simplified map of targets northwest of Wallace Lake, in the Wallace project area, showing areas of high-grade gold from surface grab samples collected by 1911 Gold, and the location of the targets drilled in 2022.



Drilling in Q1-Q2 2022 at Wallace was focused on the Crown 10, Hi-Grade, Heli, Alec and Willi targets, with nine drillholes, totalling 2,528 metres, completed in Q2 2022. Follow-up drilling in Q3-Q4 2022 included 3 drillholes (810 metres) at the Hi-Grade target to follow-up on the results noted above. One additional drillhole (326 metres) was completed in Q4 2022 at the Crown-10 target to test the principal structure further to the north along strike.

While results from Q3-Q4 remaining pending assays, the first phase of drilling confirmed several mineralized structures, notably 2.9 g/t gold over 4.3 meters (including 10.1 g/t gold over 1.0 metres) at the Crown-10 target and 1.8 g/t gold over 2.1 meters (including 6.7 g/t gold over 0.6 meters, with visible gold) at the Hi-Grade target.

## Tinney project

The geology of the Tinney project consists of a thick sequence of iron-rich basalt flows, gabbro sills and siliceous sedimentary units, cut by felsic porphyry intrusions, and occupying the hinge of the regional-scale fold (Beresford Lake anticline), which is partially dismembered by faults and shears. The largest felsic porphyry intrusion, the Gunnar porphyry, cuts favourable stratigraphy for 2.5 kilometres along strike and represents a highly prospective setting for vein emplacement, analogous to the 10-million-ounce Sigma-Lamaque deposit in the Val-d'Or camp of the Abitibi greenstone belt in Quebec, Canada. The southern extent of this porphyry hosts the historic Gunnar deposit, which produced approximately 100,000 ounces of gold between 1936 and 1941, from ore grading approximately 12 g/t Au.

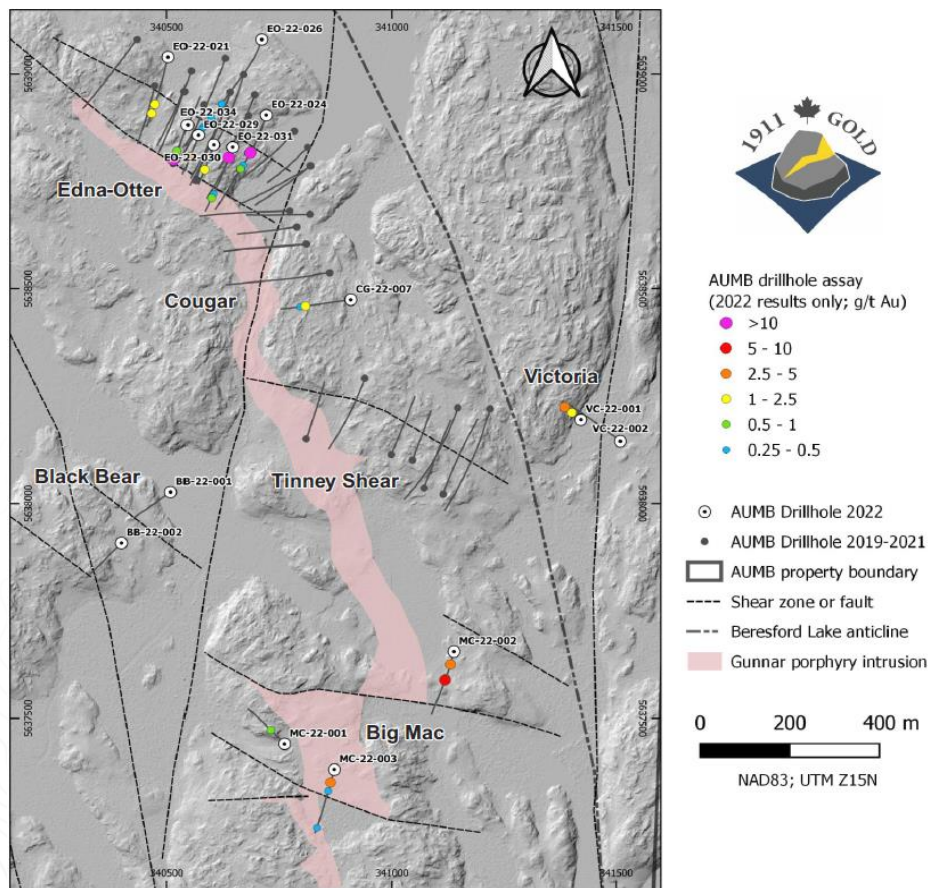


Drilling completed to date by the Company at the Tinney project has focused on the northern extent of the Gunnar porphyry, testing the Edna-Otter, Cougar and Tinney Shear targets – areas with no record of historical drilling (**Figure 6**). Results confirm the geological model, as well as the potential analogy with the Sigma-Lamaque deposit at Val-d’Or. Specifically, the drilling results and new modeling indicate multiple zones of high-grade gold mineralization, forming a network of both steep and ‘flat’ vein systems centred on the porphyry intrusion, which itself is strongly altered and sheared, particularly in the Edna-Otter target area.

The 2022 drilling selectively targeted structural intersections of the modeled gold-bearing structures and projected down-plunge extents of modeled high-grade mineralized zones both internal and external to the porphyry. In addition, this drilling tested the continuity of gold mineralization in the upper portion of the Otter structure along the hanging wall (northeast) contact of the porphyry via closer-spaced drilling on 30-metre centres.

In total, eight drillholes, for 2,161 metres were completed in Q1-Q2 2022 testing the northern portion of the Gunnar porphyry. Included in this was the deepest drillhole completed to date at the Edna-Otter target, with a downhole depth of 533 metres.

**Figure 6:** Simplified map of the Gunnar porphyry target area, showing drillhole locations from Phase I and Phase II drilling, and drillholes from 2022 drilling, including assay results for 2022 drillholes. Priorities for follow-up drilling were the Edna-Otter and Cougar targets; the Company also completed first-pass drilling of the Black Bear, Big Mack and Victoria targets.







Key Highlights from the 2022 drilling include:

- Drillhole EO-22-024 tested down-plunge to the northeast on the porphyry, yielding 32.2 g/t gold over 0.7 metres from a laminated quartz vein with visible gold just above the upper contact.
- Drillhole MC-22-002 at the newly targeted Big Mac prospect intersected 4.9 g/t gold over 0.7 metres and 8.8 g/t gold over 0.5 metres. Another drillhole at the Big Mac prospect, MC-22-003, intersected 3.4 g/t gold over 1.0 metre.
- Drillhole VC-22-001 at the Victoria prospect, a second newly identified area, intersected 2 g/t gold over 0.5 metres.

## Generative projects

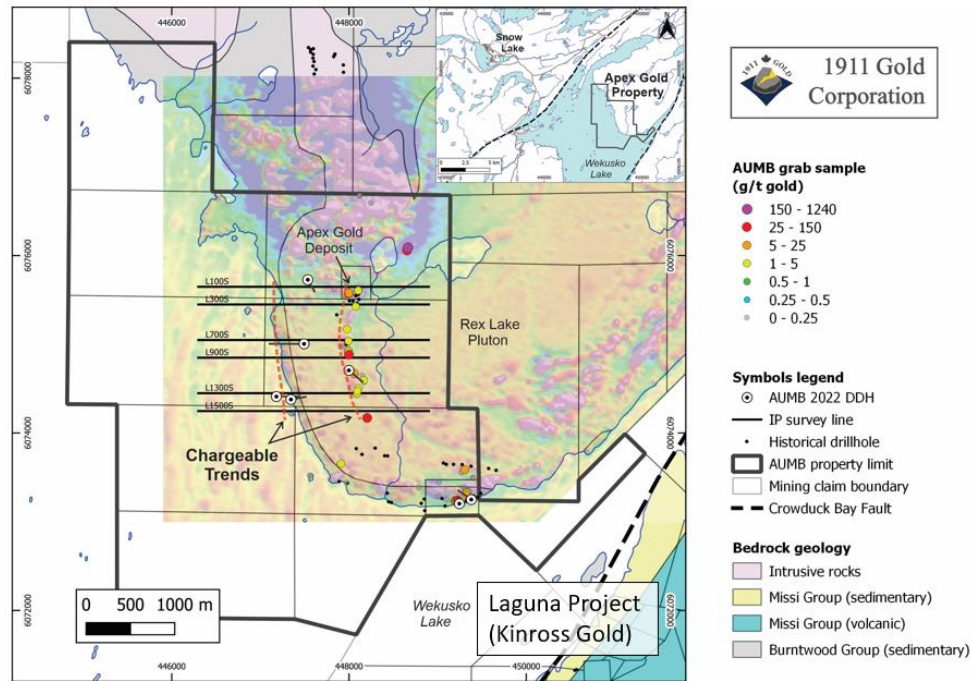
In 2022, the Company continued to expand its exploration efforts into greenfields portions of the Rice Lake property, for the purpose of generating new targets in areas with no record of previous exploration drilling. Examples include the Whales project (Figure 1), where surficial geochemistry is being used to trace a series of kilometre-scale gold-bearing structures in an area of minimal bedrock exposure on the north flank of the Wanipigow fault. At the Currie's Landing project, several targets have been advanced to drill-ready status through the use of bedrock mapping, UAV aeromagnetic surveys and induced potential (IP) geophysics in an area historically explored for base metals, but largely overlooked for its gold potential, despite very favourable geology and structure. In 2022, exploration was also expanded into the newly staked ground in the far southeast portion of the Rice Lake property (Figure 1), to evaluate a series of regional-scale structures with geological similarities to the LP fault at the Dixie project in the Red Lake district. Preliminary reconnaissance confirms the presence of favourable structures and alteration, with localized gold mineralization, requiring detailed follow-up.

## Apex property

The 100% owned Apex exploration property is located 15 kilometres southeast of the town of Snow Lake (570 kilometres north of Winnipeg) in north-central Manitoba. The Apex property is situated in the Paleoproterozoic Flin Flon greenstone belt, one of the most prolific mining districts in the world, with world-class gold-rich volcanogenic massive sulphide (VMS) and orogenic gold deposits. The Apex property contains two significant gold occurrences spatially associated with the contact between the Burntwood assemblage and the Rex Lake pluton, with most of the mineralization discovered to date hosted within or adjacent to the outer margin of the pluton. Two distinct styles of gold mineralization are apparent: steep shear veins and flat lying disseminated zones associated with sulphide minerals. The former style is comparable to the adjacent Laguna property to the immediate south, on the opposite side of the Crowduck Bay Fault. The Laguna property includes the historic Rex-Laguna gold mine, which produced 60,000 ounces of gold between 1936 and 1940, with an average grade of 16.7 g/t Au, making it the highest-grade gold mine in Manitoba.

In 2021 the Company expanded the Apex property (**Figure 7**) from 752 to 2,200 hectares by ground staking to cover a major geological/structural contact and completed line cutting and a 17 line-kilometre induced polarization (IP) geophysical survey over the most prospective structural trends on the property to evaluate the potential for both steep and flat zones of gold mineralization. The survey was completed by Abitibi Geophysics using the OreVision® IP system, with final deliverables, including 3D inversions, received in Q2 2021. Importantly, the survey reveals both steep and flat chargeability anomalies at depth and near-surface, including in areas of known gold mineralization at surface, thus increasing confidence in the capability of this IP system to detect mineralized zones at Apex.

**Figure 7:** Simplified map of the Apex Gold Property near Snow Lake, Manitoba, showing areas of high-grade gold from surface grab samples collected by 1911 Gold, and the major trends of chargeability identified by the IP geophysical survey completed in 2021, with drillholes indicated.



In 2021, the Company completed additional fieldwork at the Apex property, including geological mapping, prospecting, surficial geochemistry and ground-truthing of geophysical anomalies identified by the IP survey. This work continued to demonstrate the significant exploration potential of the Apex property for both lower-grade bulk-tonnage type mineralization, as well as very high-grade narrow-vein type mineralization, with several spectacular assay results from grab-sampling, including 1,240 g/t Au, 132.6 g/t Au and 69.1 g/t Au. To date, 52% of samples collected by 1911 Gold have returned assay results greater than 1 g/t Au, with 18% of samples returning more than 5 g/t gold.

In 2022, the Company completed 6 drillholes for 1,642 metres on four Priority 1 targets at Apex via both land and ice-based drilling, including geophysical targets identified by the IP survey and geological/structural targets generated through the Company's field programs. First-pass drilling at Apex intersected high-grade gold mineralization at two targets, including 9.7 g/t gold over 0.45 metres and 15.3 g/t gold over 0.65 metres, the latter within a broader zone grading 0.9 g/t gold over 20.7 metres.

Additional fieldwork completed in early September 2022 was focused on evaluating a large, linear, magnetic-low feature for its potential to host lithium-pegmatite, as well as to follow-up on results from previous drilling, which indicate potential for both narrow vein (high-grade) and bulk tonnage (low-grade) gold deposits in the central portion of the Apex property. Analytical results from samples collected during the 2022 field program are pending.

### Timmins properties

The Company holds two highly prospective 100% owned properties in the Timmins-Porcupine Gold Camp of the Abitibi greenstone belt. The properties are located within a 30-kilometre radius of the city of Timmins, Ontario, in the prolific district of the same name – one of the richest goldfields in the world with over 70 million ounces of past gold production from deposits arranged along the crustal-scale Porcupine-Destor Fault.



The Tully property, 458 hectares in area, is located 25 kilometres northeast of Timmins and has areas of mineralization that have been the focus of several drilling campaigns since its discovery in 1969. The mineralization at Tully appears to be located along a major splay of the Porcupine-Destor Fault, referred to as the Pipestone Fault, and is located 2 kilometres southwest of the Bradshaw Gold Project of Gowest Gold Ltd., currently being evaluated for development. The Company is currently evaluating options to advance this project.

The Denton-Keefer property, located 30 kilometres southwest of Timmins, is immediately adjacent to paved highway 101. The property (2,106 hectares in area) covers a 6.5-kilometre-long section of the Abitibi greenstone belt, including a portion of the Porcupine-Destor Fault. It is thus situated in a highly prospective setting, geologically similar to those hosting supergiant gold deposits in the Timmins-Porcupine Gold Camp and is strategically positioned between Pan American Silver's Timmins West mine and GFG Resources' Pen Gold exploration project. In early 2020, the Company initiated a comprehensive compilation of available data for both properties to guide corporate strategy and future exploration.

In part due to the COVID-19 pandemic, the Company has deferred exploration activities on both properties in the Timmins district and was granted an Exclusion of Time for assessment work in 2021 under Ontario's relief plan relating to COVID-19. In the interim, the Company is evaluating options to unlock value and advance these projects. Discussions are ongoing with several parties under nondisclosure agreements to vend or option the Tully property.

In 2022, the Company entered into contract agreements to acquire high-resolution LiDAR, magnetic and electromagnetic (VTEM) data over the Denton-Keefer property, to evaluate its potential for both orogenic gold and gold-rich VMS deposits. These new datasets, once received, will inform initial fieldwork and subsequent drill targeting at Denton-Keefer.



## REVIEW OF FINANCIAL RESULTS

During the three months ended March 31, 2023, the Company incurred a loss of \$0.8 million compared to a loss of \$4.9 million in Q1 2022, primarily due to an increase in gross margin of \$1.0 million in 2023 and a \$2.7 million decrease in exploration expenditures.

### Revenue

During the three months ended March 31, 2023, the Company earned \$0.7 million in revenue from the clean-out of the mill that had started in December 2022, recovering 478 ounces of gold for total proceeds of \$0.7 million, net of third party contractor and refinery costs. During the three months ended March 31, 2022, the Company earned \$0.7 million in revenue. The Company sold 42 ounces from the remaining gold inventory from 2021 held at Asahi Refining Canada (“Asahi”) at an average realized price of \$2,299 per ounce for total proceeds of \$0.1 million, and also received \$0.6 million in net proceeds from gold recovered during the clean out of the mill.

### Cost of sales

Cost of sales includes periods where the mill is on seasonal care and maintenance. In connection with a longer-term suspension of milling activity at the Rice Lake site, no costs were recorded in cost of sales during the three months ended March 31, 2023. During the three months ended March 31, 2022, the Company incurred \$0.9 million in operating costs, including \$0.1 million of depreciation and depletion.

### General and administrative costs

General and administrative costs of \$1.6 million for the three months ended March 31, 2023 compared to \$5.3 million in Q1 2022 primarily as a result of significantly reduced exploration activity (\$2.7 million lower) as well as cost reduction measures taken during the quarter, including \$0.6 million in lower payroll costs.

### Other expenses

The Company recognized a flow-through premium recovery of \$0.7 million during the three months ended March 31, 2022 from the qualifying Canadian exploration expenses incurred related to the December 30, 2021 private placement. No flow-through premium recovery was recognized in Q1 2023.

Other income during the three months ended March 31, 2023 was \$0.3 million compared to \$0.1 million in Q1 2022. This increase is due to the Data Centre Agreement income of \$0.2 million recorded during the period.

## QUARTERLY RESULTS

The following selected financial information is a summary of the eight most recently completed quarters up to March 31, 2023:

Quarter Ended (\$ amounts in '000's) (Unaudited)	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Gold sold (ounces)	-	1,124	1,055	-	42	1,300	2,225	238
Revenues	\$ 731	\$ 2,505	\$ 2,376	\$ 331	\$ 672	\$ 2,932	\$ 4,950	\$ 560
Net loss	\$ (753)	\$ (1,226)	\$ (1,760)	\$ (3,525)	\$ (4,876)	\$ (2,182)	\$ (1,395)	\$ (129)

During Q3 2021 the Company successfully executed the third field season program at Rice Lake, advancing a number of targets at Tinney, Bidou and Wallace projects, and following up on prominent LiDAR and AMAG features at the Curries



Landing project, in the western portion of the Rice Lake property. The Company shut down the tailings operation in Q4 2021, having processed a total of 244,787 tonnes of material during the 205 operating days in 2021, producing 3,763 ounces of gold during the period. The Company also completed an \$8 million flowthrough financing on December 31, 2021, providing sufficient funding to allow for a large-scale exploration program in 2022, commencing with the third year of drilling on the Bidou and Tinney projects as well as first pass drilling at the Wallace project as well as the Apex property in Snow Lake.

In Q1 and Q2 2022, the Company carried out its third drill program at Rice Lake as well as its maiden drilling program at the Apex project in Snow Lake, Manitoba. The Rice Lake drill program tested both new and follow-up targets at Tinney and Bidou, as well as new targets in the maiden drilling program at the Wallace project, located in the northeastern portion of the Rice Lake property, on the north side of the Wanipigow fault. The tailings re-processing operation remained shutdown until June 4, 2022, although an extensive sampling program was carried out during the period to identify areas with higher grade material in preparation for the 2022 production season. The Company commenced the 2022 field exploration program in early May as well, focusing on further developing advanced target areas in Bidou, Tinney and Wallace as well as on three new target areas.

During the third quarter of 2022 the Company continued reprocessing tailings at an average rate of 1,009 tpd for a total of 92,859 tons processed. The mill experienced over 7 days of downtime in July as a result of a mechanical failure and significant delays in obtaining the required replacement components, effecting the overall tonnage rates during the period.

Drilling commenced at the Company's Central Manitoba project area in mid-August, completing 3,786 metres in 14 drillholes to test significant gaps in drilling coverage on historically-mined structures in the Central Manitoba mines, as well as to test both historical and newly-defined structures along strike and to depth, beyond the extents of previous drilling. Additionally, the Company completed 3 drillholes for 590 metres to test two parallel structures at the new Palomar project.

During Q1 2023, minimal exploration activity was undertaken, primarily focused on compilation of past results and filing of assessment reports. Steps were also taken to place the mill into a longer term state of suspended activity and reduce sustaining costs required to maintain on site facilities, resulting in a decrease in costs during the quarter. There was also revenue recognized of \$0.7 million related to the clean-out of the mill during the quarter.

## LIQUIDITY AND CAPITAL RESOURCES

(\$ amounts in '000's)	March 31 2023	December 31 2022
Cash	\$ 338	\$ 630
Total current assets	1,416	1,970
Total assets	33,486	34,163
Total current liabilities	3,515	3,519
Total liabilities	6,018	5,977
Total equity	27,468	28,186

With the cessation of the tailings operations at the end of 2022, the Company's future liquidity position and capital resources will be substantially determined by the Company's ability to obtain equity or other sources of financing, the extent of exploration activity undertaken during each quarterly period, and any other corporate activities, including property transactions or marketing programs undertaken, that arise. The Company will continue focusing exploration at Rice Lake in areas of historic production that provide the best opportunity for nearer-term production and provide future sources of ore feed for the True North milling facility. The Company is also generating cashflow through the rental of onsite facilities to third party data center operators, providing additional funding to cover the maintenance of site facilities and equipment.



As at March 31, 2023 the Company had cash and cash equivalents of \$0.3 million (December 31, 2022 – \$0.6 million) and a working capital deficit of \$2.1 million (December 31, 2022 – \$1.5 million). Cash utilized in operating activities during the three months ended March 31, 2023 was \$0.3 million, including changes in working capital (year ended December 31, 2022 – \$9.3 million).

The Company is not in commercial production on any of its mineral properties and continues to incur operating losses, has limited financial resources, and there can be no assurance that sufficient funding will be available to continue current exploration and operating activities. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock, through entering joint venture arrangements or by realizing proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management plans to continue to secure the necessary financing primarily through a combination of equity financing and disposition of non-core projects; however, there is no assurance that the Company will be successful in these actions. The Financial Statements for the three months ended March 31, 2023 do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company must manage its treasury while satisfying regulatory requirements, maintaining its property agreements in good standing, and conducting exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, unfavorable market conditions in the mining industry, uncertainties in the markets due to interest and inflation rate changes, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company has sufficient liquidity to support its growth strategy.

### Outstanding Share Data

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options	Warrants
Outstanding as at May 24, 2023	68,216,155	5,536,668	1,987,813

## FINANCIAL INSTRUMENTS

The Company's activities potentially expose it to a variety of financial risks, including liquidity risk, interest rate risk, foreign exchange risk, and commodity price risk.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due (see note 1 of the Financial Statements). The Company closely monitors and reviews its costs incurred and actual cash flows against the approved budget on a monthly basis to ensure the Company's access to funds is adequate to support the Company's operations on an ongoing basis. Future operations or exploration programs will require additional financing primarily through equity markets or other forms of financing such as joint venture partnerships.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances, interest-bearing bank accounts and no interest-bearing debt.



## Foreign Exchange Risk

The Company's Canadian entities have a Canadian dollar functional currency. Foreign exchange risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company's foreign currency gains and losses primarily relate US dollar transactions with vendors.

## Commodity Price Risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the gold it produces. As at March 31, 2023, the Company itself had not entered into any agreements to mitigate its exposure to market price risk.

## CONTRACTUAL OBLIGATIONS

The following table provides our gross contractual obligations as at March 31, 2023 (in thousands):

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Accounts payable and accrued liabilities	\$ 2,974	-	-	-	\$ 2,974
Closure plan financial security payments	\$ 3,000	\$ 2,267	-	-	\$ 5,267
Reclamation obligation	-	-	-	\$ 8,993	\$ 8,993
<b>Total</b>	<b>\$5,974</b>	<b>\$2,267</b>	<b>\$0</b>	<b>\$8,993</b>	<b>\$17,234</b>

The reclamation obligation amounts shown above represent undiscounted amounts not reflective of inflation.

Certain of the mining claims in which the Company has interests are subject to royalty arrangements. Additionally, to maintain the Company's properties in good standing, the Company is required to make certain mining claim tax, mineral lease and cash-in-lieu payments on an annual basis. In 2023, those mineral claims payments are nominal.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

Key management includes directors and executive officers of the Company. During the three months ended March 31, 2023 and 2022, the Company incurred the following charges by key management of the Company and by companies controlled by them (in thousands):

	Three months ended	
	2023	2022
	\$	\$
Salaries and wages	103	296
Professional fees	20	5
Directors' fees	40	39
Share-based payments	24	76
	<b>187</b>	<b>416</b>

All fees have been reported as general and administrative expenses, except for \$40 of salaries and wages that was included in exploration expense (2022 – \$50).



As at March 31, 2023, \$267 was owing to directors, officers or their related companies (December 31, 2022 - \$217).

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

## **OUTLOOK**

Future exploration at the Company's Rice Lake property will remain focussed on identifying new gold resources that can be advanced to development on a short timeframe to provide additional sources of ore feed for the Company's True North mill complex. As part of this strategy, the Company expects to continue advancing the CM project once sufficient funding is in place for the next phase of exploration and results from the fall 2022 drill program are received and incorporated into the exploration model. Historical production at CM occurred at less than 150 metres below surface and historical drilling in the area has also been relatively shallow (generally less than 200 metres below surface), hence there remains significant potential at depth as well as continuity to the southeast where minimal exploration has occurred.

The Company will also continue to re-evaluate the existing underground resource at the True North mine and pursue opportunities to strategically expand the land position to cover prospective, under-explored geology immediately adjacent to the True North complex. This would require additional land acquisitions, either through purchase, joint venturing, or option agreements.

The Company will also continue evaluating new exploration targets within its regional-scale land position in the Rice Lake district while prioritizing those areas that provide for the most efficient use of resources and, where more capital-intensive exploration is required, prioritizing areas in closer proximity to existing infrastructure. Where required, accretive land acquisitions will be pursued that are either additive to the current areas of interest or have been identified as having significant exploration potential.

To support both existing activity levels as well as future exploration the Company continues to evaluate a number of options for additional equity financing, joint ventures on certain areas on the property, as well as strategic investments or other opportunities for the Company's stakeholders.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported expenses during the reporting period. Such estimates and assumptions affect the identification of impairment indicators of exploration and evaluation assets and the determination of inputs used in calculating the fair value of share-based payment expense. Management re-evaluates its estimates and assumptions on an ongoing basis; however, due to the nature of estimates, actual amounts could differ from its estimates. The most critical accounting estimates upon which the Company depends are those involved with the assessment of impairment indicators, future costs for reclaiming areas of operations, and assumptions around going concern.

## **DISCLOSURE CONTROLS AND PROCEDURES**

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures and as well as internal controls over financial reporting, as defined in National Instrument 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.

## RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties, many of which are beyond its ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the Company's Management Discussion and Analysis for the year ended December 31, 2022 as well as in Note 14 of the Company's audited consolidated financial statements for the year ended December 31, 2022, as filed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

### Mineral Property and PP&E Expenditures

(\$ amounts in '000's)	Plant and equipment	Mineral properties	Total
	\$	\$	\$
<b>COST:</b>			
<b>Balance at December 31, 2021</b>	29,432	62,080	91,512
Additions	37	–	37
Disposals	(15,747)	(838)	(16,585)
<b>Balance at December 31, 2022</b>	13,722	61,242	74,964
Additions	–	–	–
<b>Balance at March 31, 2023</b>	13,722	61,242	74,964
<b>ACCUMULATED DEPRECIATION AND DEPLETION</b>			
<b>Balance at December 31, 2021</b>	(27,299)	(30,799)	(58,098)
Additions	(820)	–	(820)
Disposals	15,747	–	15,747
<b>Balance at December 31, 2022</b>	(12,372)	(30,799)	(43,171)
Additions	(123)	–	(123)
<b>Balance at March 31, 2023</b>	(12,495)	(30,799)	(43,294)
<b>NET – DECEMBER 31, 2022</b>	<b>1,350</b>	<b>30,443</b>	<b>31,793</b>
<b>NET – MARCH 31, 2023</b>	<b>1,227</b>	<b>30,443</b>	<b>31,670</b>



## **FORWARD LOOKING INFORMATION**

This MD&A provides management's analysis of 1911 Gold's historical financial and operating results and provides estimates of 1911 Gold's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking information. By their nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, impacts arising from the global disruption caused by COVID-19 or other pandemic outbreaks, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking information. 1911 Gold's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits 1911 Gold will derive there from. 1911 Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law.