



1911 Gold Corporation
(formerly Havilah Mining Corporation)

Management Discussion and Analysis
For the nine months ended September 30, 2019

This Interim 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 nine months ended September 30, 2019. The MD&A was prepared as of November 25, 2019 and should be read in conjunction with the unaudited Condensed Interim Consolidated Financial Statements for the nine months ended September 30, 2019 and 2018, and the annual audited Consolidated Financial Statements for the years ended December 31, 2018 and 2017, 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, 2018 and 2017. 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”). In addition, throughout this MD&A the reporting periods for the three and nine months ended September 30, 2019 and 2018 are abbreviated as Q3 2019, Q3 YTD 2019, Q3 2018, and Q3 YTD 2018, respectively.

The Company was incorporated on May 3, 2018 in connection with the arrangement agreement (“Arrangement Agreement”) between Klondex Mines Ltd. (“Klondex”), Hecla Mining Company (“Hecla”), and 1156291 B.C. Unlimited Liability Company, a wholly owned subsidiary of Hecla to hold Klondex’s former Canadian assets comprised of Klondex Canada Ltd. (subsequently renamed to 1911 Gold Canada Ltd., (“1911 Gold Canada”)) and Bison Gold Resources Inc. (“Bison”). Under the terms of the Arrangement Agreement, which closed on July 20, 2018, Hecla acquired all the outstanding common shares of Klondex and holders of common shares of Klondex (“Klondex Shareholders”) received consideration consisting of either cash, Hecla common stock, or a combination of cash and Hecla common stock, plus shares of 1911 Gold. On July 4, 2019, the Company amalgamated its 100% owned subsidiary, Bison Gold Resources Inc. into its other 100% owned subsidiary, 1911 Gold Canada Corporation.

The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “AUMB” (formerly “HMC”) and in the United States on the OTCBB under the stock symbol “HAVXF”. Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company’s website www.1911gold.com.

OVERVIEW

1911 Gold is a junior gold producer and explorer that owns the True North mine and mill complex and is currently reprocessing historic tailings on a seasonal basis. In addition to operating True North in Bissett, Manitoba, 1911 Gold holds approximately 54,000 hectares of highly prospective land within and adjacent to the Rice Lake greenstone belt. 1911 Gold believes its land package offers a prime exploration opportunity, with potential to develop a mining district centered on its True North facility. The Company also owns the Tully project near Timmins, Ontario. 1911 Gold intends to focus on both organic growth opportunities and accretive acquisition opportunities in North America.

HIGHLIGHTS

- On January 15, 2019, Ron Clayton, a director of the Company, was appointed as President and Chief Executive Officer of 1911 Gold Corp. Ron brings over 40 years of mining experience to the Company and was most recently the President and CEO of Tahoe Resources Inc. until June of 2018, where he led the construction and commissioning of the Escobal mine as the Company’s first Chief Operating Officer.
- On March 4, 2019, the Company announced the appointment of Shastri Ramnath to the Board of Directors. Ms. Ramnath is a Professional Geoscientist with over 20 years of global experience within the exploration and mining industry. She co-founded and is currently the President, CEO and Principal Geologist of Orix Geoscience Inc. and the co-founder of Exiro Minerals, a junior exploration company focused on project generation that combines technology with traditional exploration methodologies.
- On March 18, 2019, the Company closed a non-brokered private placement by issuing 8,333,333 flow-through common shares for gross proceeds of \$4,000,000. The gross proceeds from the sale of the flow through shares will be used to incur eligible Canadian Exploration Expenses on the Company’s exploration properties in the Rice Lake greenstone belt located in Manitoba, Canada.
- On April 22, 2019, the Company initiated its field exploration program in the Rice Lake greenstone belt of southeast Manitoba, site of the Company’s True North operations, focusing on the Bidou, Tinney, Horseshoe, Gold Horse and Poundmaker project areas.

- On April 26, 2019, the Company commenced the 2019 tailings re-processing season, averaging approximately 1,212 tons per day with an average grade 0.9 g/t gold. Proceeds from the tailings re-processing partially fund the ongoing care and maintenance of the underground infrastructure as well as the milling operations. Subsequent to quarter-end, on October 31, 2019, the Company suspended the tailings operations for the winter season. The Company successfully processed 221,969 tons during the operating period, recovering approximately 5,541 ounces of gold.
- On July 10, 2019, the Company completed the acquisition of the remaining 50% interest in the Tully mining claims and mining lease located in Timmins, Ontario from 55 North Mining Inc. ("55 North"). Total consideration for this acquisition included a payment of \$200,000 in cash for the settlement of outstanding litigation between 55 North and a former employee and the waiver of outstanding liabilities owing to the Company by 55 North in the amount of approximately \$970,552. Concurrent with the closing of the acquisition, the Company acquired by way of non-brokered private placement 3,333,333 common shares of 55 North at a price of \$0.06 per share, for total consideration of \$200,000.
- On October 5, 2019, the Company temporarily suspended care and maintenance of the underground infrastructure at the True North mine, after determining this would not have a material impact on reopening the underground in the future, resulting in a significant reduction in ongoing operating costs.
- On October 29, 2019, the Company received final work permits from Manitoba Sustainable Development for the 2019-2020 drill program, planned to consist of between 5000 and 10,000 metres of drilling at the Bidou, Tinney, Horseshoe and Poundmaker projects.
- On November 7, 2019, the first drillhole of the 2019-2020 drill program was collared on the Midway target within the Bidou project area.

FINANCIAL AND OPERATING SUMMARY

Until July 19, 2018, the Company operated as a subsidiary of Klondex. With the completion of the Arrangement Agreement on July 20, 2018 the Company operated as a separate operating entity.

Nine Months Ended September 30	2019	2018
Financial Results (in thousands)		
Revenue	\$ 6,960	\$ 12,219
Cost of sales:		
Production costs	8,666	18,871
Depreciation and depletion	2,642	3,050
Write-down of production inventories	-	2,539
Total Cost of Sales	11,308	24,460
General and Administrative Costs	1,309	869
Exploration expense	1,474	-
Other (income) expenses	476	14,523
Net Loss and Comprehensive loss	\$ (6,655)	\$ (27,633)
Operating Results		
Gold ounces shipped	3,082	6,055
Gold ounces sold	3,566	7,234
Per Ounce Data		
Average realized price	\$ 1,937	\$ 1,642
Cash cost of operations per ounce produced ⁽¹⁾	2,093	2,895
All in sustaining costs per ounce produced ⁽¹⁾	2,485	3,051
Per Share Data		
Basic and diluted loss per share	\$ (0.19)	\$ (1.16)
Weighted average common shares outstanding	35,667,857	23,785,327

Balance as of	September 30, 2019	December 31, 2018
Financial Position (in thousands)		
Cash and cash equivalents	\$ 8,111	\$ 5,971
Total assets	49,662	52,284
Total liabilities	5,108	3,956
Shareholder equity	44,554	48,328

⁽¹⁾ This is a non-IFRS measure; refer to the Non-IFRS Performance Measures section of this MD&A for additional detail. The cash cost excludes the cost of underground mine care and maintenance in 2019 but is included in 2018 due to partial operations. As a result of the shutdown during the first 116 days of 2019, the cash costs include a significant amount of cost unrelated to the cost of production.

REPORT ON OPERATIONS

The Company recommenced tailings operations on April 26, 2019, averaging 1,212 tpd during the 157 operating days of 2019 at an average grade of 0.9 g/t. During the initial restart period the operations focused on processing lower grade material while increasing the concentration of gold on carbon in the circuit and minimizing loss of gold to tailings. The mill also operated at a lower tonnage rate during several weeks in May extending through June in order to manage the water levels during the spring runoff into the tailings facilities and while the Company completed installation of a booster pump to improve output to the new tailings facility. For the months of July and August, with the installation of the booster pump complete, production increased to an average rate of 1,304 tpd. During the second half of September, however, excessive rainfall resulted in a significant increase in water levels and moisture, the latter requiring a reduction in production rate to 1,155 tpd. This rainfall continued after quarter-end, impacting production in October where the Company averaged 1,054 tpd and finally suspended operations as a result of water levels and the early onset of colder Winter weather.

During 2019 the Company completed the replacement of the strip circuit and the installation of two new gravity concentrators designed to improve mill recovery rates. The concentrators operated for the months of August and September, providing a 10% improvement in the recovery from the gravity circuit and an overall 3% increase in total recovery.

EXPLORATION ACTIVITY

Exploration activities continued through Q3 2019, with 5 staff geologists, 3 contract geologists and 6 contract summer students working the Company's 100% owned mineral dispositions in the Rice Lake greenstone belt of southeastern Manitoba.

Initial fieldwork was focused on areas for which sufficient historical datasets were available and the previously mapped structure and stratigraphy were deemed favourable for the localization of gold mineralization, based on the Company's updated exploration model. These initial project areas included the Bidou and Tinney projects, located approximately 30 km southeast of Bissett, and the Gold Horse and Horseshoe projects, located northwest of Bissett (approximately 20 km and 4 km, respectively). One additional project – Poundmaker – was added in June, to follow up on historical work.

Activities in each of these project areas focused on the systematic collection of new geological datasets to advance projects to the stage of drill targeting. This work included geological mapping, prospecting, verification sampling of historical occurrences, outcrop stripping, channel sampling, detailed mapping and structural analysis. This work also included surficial geochemistry orientation surveys over known zones of gold mineralization in order to establish and optimize the sampling methods, survey design and analytical procedures.

High-grade gold values were obtained from grab sampling in the Bidou, Tinney and Poundmaker project areas, which consequently were the principal focus of geological fieldwork during the latter stages of the field exploration program. Detailed surficial geochemistry surveys were completed over known or interpreted extensions of mineralized zones on the Bidou and Poundmaker projects, leading to the definition of a number of areas of anomalous gold in surficial sediments. Surficial geochemistry was also completed in 2 grids in the Gold Horse project area – over the historical Eleanor showing and in an area of complex structure indicated by aeromagnetic survey data.

Based on the initial results of the field program, work permit applications for surface diamond drilling were submitted in early July for eight targets in the Bidou, Tinney and Poundmaker areas, and permit applications were also submitted for a conceptual structural target in the Horseshoe area. Towards the latter part of Q3 2019, individual targets were evaluated based on all available information, and detailed drill planning for several targets in the Bidou and Tinney areas was initiated.

At the same time, planning was initiated for work programs on two other projects within the Company's Manitoba portfolio: Cryderman, located approximately 20 km east of Bissett, and the Apex, located 15 km southeast of Snow Lake, Manitoba, within the Flin Flon – Snow Lake greenstone belt. Both projects include significant historical gold occurrences and this work was initiated for the purposes of adding value to these projects while also fulfilling assessment requirements to maintain the ground in good standing. Work on both was completed in early Q4 2019.

REVIEW OF FINANCIAL RESULTS

During the nine months ended September 30, 2019, the Company generated a loss of \$6.6 million compared to a loss of \$27.6 million for 2018. In 2019, underground operations were on care and maintenance for the entire period whereas in 2018 there continued to be limited underground production (19,301 tons mined) until early March as the Company completed mining of developed areas after the January 9, 2018 shutdown. As well, the tailings operations commenced on April 26 in 2019 compared with April 20 in the prior year.

Revenue

During the nine months ended September 30, 2019, the Company sold 3,096 gold ounces from production and an additional 470 ounces (recovered from the Q1 2019 mill clean-out) at an average price of \$1,952 compared with sales of 7,234 gold ounces in the same period in 2018 at an average realized price of \$1,637 (this excludes the effect of any derivative instruments used during the 2018 period). During Q1 2018 True North processed all the remaining stockpiles from mining as well as the ore mined prior to the shutdown.

Cost of sales

Cost of sales, comprised of the full cost of site operations, including care and maintenance costs for the True North underground mine as well as depreciation and depletion, amounted to \$11.3 million for Q3 YTD 2019 compared with \$24.5 million during Q3 YTD 2018. The decrease was primarily due to the suspension of mining operations at the True North mine in January 2018 resulting in a significant decrease in mining related costs since that period. During Q3 YTD 2018, the Company also incurred \$1.4 million in severance costs in lieu of notice as the Company laid off all but essential personnel required for continued milling operations, underground care and maintenance, and tailings re-processing operations. Care and maintenance cost during Q3 YTD 2019 were \$1.2 million whereas in Q3 YTD 2018 total mining costs, including care and maintenance after the shutdown of the underground mine, were \$5.5 million, excluding severance costs.

The decrease in depreciation and depletion for Q3 YTD 2019 is primarily from reduced depletion costs, which arise from underground mining and tailings operations, as the Company only operated the tailings operations in 2019 (commencing April 26, 2019), whereas limited underground mining did occur in Q1 2018 and tailings operations commenced approximately six days earlier. Also, as a result of impairment charges taken on mineral properties in 2018 with the suspension of underground mining as well as related equipment disposals, the Company had a lower average capital asset balance in 2019 compared with 2018.

General and administrative costs

General and administrative costs were \$1.3 million for Q3 YTD 2019 compared to \$0.9 million for Q3 YTD 2018. The general and administrative costs in 2018 reflect costs allocated from the Klondex corporate office during that period, whereas in 2019 they reflect costs for the standalone company. The Company has continued to focus on minimizing ongoing administrative costs subsequent to the spin-out.

Other expense

Finance charges

Finance charges in prior years primarily relate to interest incurred on the advances from Klondex to 1911 Gold during the period where 1911 Gold was a subsidiary of Klondex. The advances from Klondex were settled in July of 2018 pursuant to the terms of the Arrangement Agreement. Total interest on these advances during Q3 YTD 2018 was \$4.4 million whereas the Company has not incurred any comparable finance charges for the nine months ended September 30, 2019.

Foreign exchange gain or loss

Prior to the completion of the Arrangement Agreement, 1911 Gold had a significant US dollar liability arising from advances from Klondex. These were subject to mark-to-market adjustments at each reporting period, resulting

in a \$1.1 million loss for the nine months ended September 30, 2018, as the Canadian currency weakened from \$1.25 to \$1.29 Canadian for every US dollar during Q3 YTD 2018.

TRUE NORTH OPERATIONS

True North is a past-producing underground gold mining operation consisting of three underground mines and a modern, fully permitted mill currently re-processing tailings. The following is a summary of operational information for Q3 YTD 2019 and 2018. Note that silver is relatively immaterial to current operations so only gold ounces are reflected.

Nine months ended September 30	2019	2018
Ore tons mined	–	19,301
Gold ounces mined	–	2,374
Ore tons milled	–	19,390
Tailings processed (tons)	190,362	169,611
Average gold mill head grade (g/t)	0.9	1.1
Average gold recovery rate	78.9 %	83.3 %
Gold ounces shipped	3,082	8,376
Gold ounces sold	3,566	7,234
Average realized gold price	\$ 1,937	\$ 1,642
Total cash cost per gold ounce sold ⁽¹⁾	2,093	2,895
All-in sustaining cost per gold ounce sold ⁽¹⁾	2,485	3,051

⁽¹⁾ This is a non-IFRS measure; refer to the Non-IFRS Performance Measures section of this MD&A for additional detail. The cash cost excludes the cost of underground mine care and maintenance in 2019 but is included in 2018 due to partial operations. As a result of the shutdown during the first 116 days of the year, the cash costs include a significant amount of cost unrelated to the cost of production.

During Q3 YTD 2019, the Company operated for 157 days, commencing tailings operations on April 26, 2019. The operations processed 190,362 tons from tailings and shipped 3,082 gold ounces. During the initial startup period the Company processed lower-grade material while the concentration of gold adsorbed to carbon increased to normal operating levels in the carbon-in-leach circuit, minimizing any potential loss of gold to tailings. As well, for several weeks during May and June the Company operated at lower than planned tonnage rates in order to minimize tailings discharge to maintain lower water levels which had increased with spring run-off. With the installation of the tailings booster pump at the end of the quarter the Company increased output levels and tonnage rates, returning to normal operating levels in July and August, averaging 1,304 tpd, along with an improvement in grade. During the month of September the operations experienced significantly higher than normal levels of rainfall, increasing the moisture content of the tailings and requiring a reduction in feed rate to prevent material buildup in the circuit. This reduced the average tonnage rate to 1,155 tpd in September, although a higher average grade (1 g/t) was maintained throughout the month.

During the same period in 2018 the True North underground mine operations were transitioned to care and maintenance as a result of ongoing losses incurred in previous periods, with tailings operations commencing on April 20, 2018. During the transition period True North mined 19,301 ore tons from areas that were already developed, producing 2,091 gold ounces. An additional 169,611 tons were processed from tailings during the nine months ended September 30, 2018, producing an additional 3,943 ounces.

The decrease in the average gold recovery rate of 83.3% in 2018 to 78.9% in Q3 YTD 2019 (up from 76.4% in the prior quarter) reflects the processing of exclusively low-grade tailings in the latter period (i.e., no high-grade ore), such that a relatively higher proportion of gold is returned to tails, likely in the form of minute gold particles affixed to silicate minerals, which do not report to either the gravity or leach circuits. This 'fixed' amount of gold averaged approximately 0.008 oz/t for the first 7 months of 2019, improving over August and September with the installation of the two new gravity concentrators to 0.006 oz/t (resulting in a 3% increase in recovery by September). The Company will continue to analyze the processing method for additional improvements to recovery rates. For Q3 YTD 2019, the Company had capital additions of \$0.4 million related primarily to the new concentrators, as well as the booster pump for the tailings discharge line and various mill upgrades.

QUARTERLY RESULTS

The following selected financial information is a summary of the eight most recently completed quarters up to September 30, 2019.

Quarter Ended (\$ amounts in '000's)	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017
Gold sold (ounces)	3,133	370	63	3,580	240	1,843	5,151	8,983
Revenues	\$ 6,181	\$ 669	\$ 110	\$ 5,774	\$ 394	\$ 3,137	\$ 8,688	\$ 14,621
Comprehensive Income (Loss)	\$ 1,230	\$ (3,858)	\$ (4,027)	\$ (5,475)	\$ (13,656)	\$ (4,137)	\$ (9,840)	\$ (33,134)

The True North operations were acquired by Klondex on January 22, 2016 and production recommenced during the third quarter of 2016. The underground operations continued until January 9, 2018, at which point True North was placed on care and maintenance as a result of the continued shortfall in meeting operating and production targets required to return to profitability. Since the acquisition, the operations continually recorded net losses, negative cash flows from operations, and relied on Klondex, the parent company until July 20, 2018, to fund business operations. During the fourth quarter of 2017, the Company, based on the impairment indicators present, recorded a \$28.2 million impairment charge on the assets.

With the closing of the Arrangement Agreement, the Company operated on a standalone basis for the quarters ended September 30, 2018 and December 31, 2018. The Company continued to re-process tailings from the tailings impoundment facility, milling a total of 151,630 tons with an average grade of 0.9 g/t at a 73% recovery rate, producing 3,166 ounces of gold for the period. The Company recorded a \$9.7 million write down on underground mine development costs during this period, based on the assessment that previous mine plans were no longer economic. On December 13, 2018 the Company suspended the operations due to the onset of winter, completing the Company's planned 2018 operating season.

The seasonal shutdown extended through the first quarter of 2019 as the Company carried out required maintenance and a full clean-out of the mill facilities. The Company received total proceeds of \$917k from the 470 ounces recovered from the mill cleanup in Q3 2019. Tailings operations recommenced in the Q2 2019, on April 26, producing 190,362 tons containing 5,968 ounces of gold.

LIQUIDITY AND CAPITAL RESOURCES

(\$ amounts in '000's)	September 30 2019	December 31 2018
Cash	\$ 8,111	\$ 5,971
Total current assets	11,946	12,672
Total assets	49,662	52,284
Total current liabilities	2,498	1,494
Total liabilities	5,108	3,956
Total equity	44,554	48,328

Historically, the operations relied on Klondex for funding ongoing cashflow shortfalls. Prior to the completion of the Arrangement Agreement, the Company did not have access to third party financial resources and continued to incur negative operating cashflows and significant capital expenditures. The Company's current strategy is focused on maximizing cashflow from the tailings operations to support the ongoing facility operating costs and exploration activity in the region. The cash cost per ounce for the first nine months of 2019 includes 116 days where the tailings operations were shutdown due to inclement weather conditions. Gold production in the first 6 weeks was delayed due to initial loading of new carbon in circuit required to maintain optimal operations. Significantly higher than normal rainfall resulted in high moisture in the tailings causing material handling difficulties requiring a reduction in processing tonnage and higher than normal water management requirements. As a result of these factors, as well as ongoing care and maintenance costs for the underground mine, the Company was cashflow negative for the first nine months of 2019. However, the third quarter was cashflow positive, generating \$1.6 million from operations and notwithstanding, the suspension of tailings operations as

of October 31, 2019, the fourth quarter is also expected to be generate positive cashflow based on production results to date. The Company has also temporarily suspended ongoing care and maintenance of the underground infrastructure at the True North Mine, an average monthly cost of \$135,000 for 2019, on October 5, 2019, after determining that this would not have a material impact on a decision to reopen the underground in the future.

Material increases or decreases in the Company's liquidity and capital resources will be substantially determined by the success or failure of the Company's operations, exploration, and development programs, as well as the ability to obtain equity or other sources of financing, and the price of gold. To date, exploration on the Company's mineral dispositions in the Rice Lake district has been funded primarily from funds raised in financing activities to date. This exploration activity is expected to identify additional sources of ore feed for the True North milling facility.

As at September 30, 2019, the Company had cash and cash equivalents of \$8.1 million (December 31, 2018 – \$6.0 million, not including short-term investments of \$3.0 million), and working capital of \$9.4 million (December 31, 2018 – \$11.2 million). During the nine months ended September 30, 2019, the Company lost \$2.1 million from operating, care and maintenance and investing activities, net of working capital changes.

On January 10, 2019 the Company closed a non-brokered private placement for total proceeds of \$109,725, funded by management, and on March 21, 2019, the Company issued another 66,667 units to a director of the Company for additional proceeds of \$20,000. On March 5, 2019, the Company closed a non-brokered private placement by issuing 8,333,333 flow-through common shares for gross proceeds of \$4.0 million.

Management considers the Company's liquidity position at September 30, 2019, comprised of cash and cash equivalents, together with cash flows from operations, enough to support the Company's normal operating requirements, exploration plans, and capital commitments on an ongoing basis.

Outstanding Share Data

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options	Restricted Share Units	Warrants
Outstanding as at November 25, 2019	37,975,729	2,980,000	426,665	2,665,833

FINANCIAL INSTRUMENTS

The Company's activities potentially expose it to a variety of financial risks, including liquidity risk, interest rate risk, foreign exchange currency 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. As at September 30, 2019 the Company had working capital of \$9.4 million. Management believes that the Company has sufficient financial resources to meet its obligations as they come due.

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. The Company also invests excess cash in short term GIC's. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on their estimated fair value as at September 30, 2019.

Foreign Exchange Risk

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company's historical foreign currency gains and losses relate to amounts on US dollar advances from Klondex as well as US dollar transactions with vendors. Subsequent to the Arrangement Agreement the Company has had minimal US dollar transactions.

Commodity Price Risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the gold it produces. Prior to completion of the Arrangement Agreement, the Company's parent, Klondex, would mitigate price risk by entering into derivative financial instruments, such as fixed forward sales and collars. As of September 30, 2019, 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 of September 30, 2019 (in thousands):

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Reclamation obligation	—	—	—	\$ 9,824	\$ 9,824

The amounts shown above represent undiscounted amounts not reflective of inflation, see Note 12 *Reclamation obligation* for additional details.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the three and nine months ended September 30, 2019 and 2018, the Company incurred the following charges by directors and officers of the Company and by companies controlled by directors and officers of the Company. Until July 2018, the Company operated as a subsidiary of Klondex, at which time no compensation was paid to Directors or Officers. All fees have been reported as general and administrative expenses:

(\$ amounts in '000's)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Salaries and wages	\$ 156	\$ 5	\$ 460	\$ 5
Professional fees	2	—	13	—
Directors' fees	45	59	131	59
Management fees	—	156	13	156
Share-based payments	21	322	183	322
Total	\$ 224	\$ 542	\$ 800	\$ 542

OUTLOOK

With an experienced board of directors and management team, strong working capital, and access to external markets, 1911 Gold is leveraging the existing infrastructure at Rice Lake, including an operating mill, new tailings facility, and knowledgeable personnel, to advance exploration at the Rice Lake property and identify new sources of ore to feed the mill. The ground-staking and claims acquisitions during 2019 has increased the Company's total land position in the Rice Lake belt to more than 54,000 hectares. These strategic additions provide the Company with a dominant and continuous land position along and adjacent to the crustal-scale Wanipigow Fault, over a total strike length of 80 kilometres. Major gold occurrences in the Rice Lake belt, including the True North underground mine at Bissett, Manitoba, which has produced approximately 2 million ounces of gold, are associated with structures that splay off this regional 'break'. The newly acquired ground provides an unprecedented opportunity to explore this fault system at a district scale.

Early in 2019, the Company successfully completed verification drilling at Ogama-Rockland, designed to test each of the modelled vein systems in the locations previously reported to contain significant mineralized intercepts. Drilling commenced on November 7, 2019 to begin following up on new results from the surface

exploration program conducted in Q2 and Q3 of 2019 as well as on other high priority project areas, and will continue into the first half of 2020. Going forward, the Company will continue to advance the four initial projects by utilizing modern, state-of-the-art datasets to identify compelling drill targets, while at the same time adding additional projects to the roster, particularly in 'greenfields' areas of the belt which have not previously been explored in a systematic manner.

During the 2019 tailings re-processing season, the Company completed several planned capital upgrades designed to increase tonnage rates and recoveries, including the installation of the two new gravity concentrators to improve recoveries and a booster pump to increase discharge to the new tailings impoundment. This work has resulted in an improvement in both tonnage rates and recoveries through the gravity circuit, allowing the Company to optimize the recovery of gold from the tailings facility. The recovery rates will continue to be monitored going forward. The Company is also focused on other cost reductions in order to generate positive cashflow during the operating season.

The Company will continue to evaluate other exploration and development assets with a view to building a robust and diversified mineral resource company. While at any given time discussions and activities may be in progress on various initiatives, the Company currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that these corporate activities will ever progress to the stage where a potential transaction might be successfully completed.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated interim 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; as well as, the reported expenses during the reporting period. Such estimates and assumptions affect the determination of the carrying value and the recoverability of exploration and evaluation assets and the 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 requiring estimates of reserves and resources, future recoverability of assets, future costs for reclaiming areas of operations, and assumptions around future commodity prices.

RECENTLY ADOPTED ACCOUNTING POLICIES

The Company adopted all of the requirements of IFRS 16 *Leases* as of January 1, 2019. IFRS 16 replaces IAS 17 *Leases* ("IAS 17"). IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and a cumulative catch up adjustment is recorded on January 1, 2019 for any differences identified, including adjustments to opening retained earnings balance. The Company analyzed its contracts to identify whether they contain a lease arrangement for the application of IFRS 16. No such contracts were identified, and as a result, the adoption of IFRS 16 resulted in no impact to the opening retained earnings on January 1, 2019.

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 DC&P and ICFR 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, 1911 Gold 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 annual Management

Discussion and Analysis for the year ended December 31, 2018 as well as in the Company's audited consolidated financial statements (under the headings "Nature and Continuation of Operations" and "Significant Accounting Policies" and elsewhere within that document) for the year ended December 31, 2018, as filed on the SEDAR website at www.sedar.com.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included additional financial performance measures in this MD&A, such as production cash costs and all-in sustaining costs. The Company reports production cash costs and all-in sustaining costs on a per gold ounce sold basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

"Total cash costs per ounce" is calculated from operation's cash costs and dividing the sum by the number of gold ounces sold. Operations cash costs include mining, milling, smelter and other direct costs.

"All-in sustaining cash costs per ounce" includes total cash costs per ounce (as defined above) and adds the sum of G&A, share-based compensation, sustaining capital expenditures and certain exploration and evaluation costs, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, new project capital is not included in the calculation of all-in sustaining costs per ounce. Additionally, certain other cash expenditures, including income tax payments and financing costs, should they apply, are not included.

The following tables provide reconciliation of total production costs per ounce as disclosed in this MD&A to the consolidated financial statements for the nine months ended September 30, 2019 and 2018:

Nine Months Ended	September 30, 2019	September 30, 2018
<i>(in thousands, except ounces and per ounce figures)</i>		
Total cash costs per ounce		
Production costs ⁽¹⁾	\$ 8,666	\$ 18,871
Underground care and maintenance costs ⁽¹⁾	(1,204)	–
Write down of production inventory (cash portion)	–	2,068
Total cash costs	7,462	20,939
Gold ounces sold	3,566	7,234
Total cash cost per ounce⁽²⁾	\$ 2,093	\$ 2,895
All-in sustaining costs per ounce		
Total cash costs	\$ 7,462	\$ 20,939
General and administrative, net of depreciation	1,309	869
Sustaining capital expenditures ⁽³⁾	91	262
All-in sustaining costs	8,862	22,070
All-in sustaining costs per ounce⁽²⁾	\$ 2,485	\$ 3,051

(1) Production costs for 2018 includes the care and maintenance cost of the underground mines as the mine was in full or partial operations until March 2, 2018 and the costs for the remaining period could not be determined.

(2) As a result of the shutdown for the first 116 days of 2019, the cash costs include a significant amount of cost unrelated to the cost of production.

(3) Sustaining capital expenditures are defined those expenditures which do not increase annual gold ounce production and excludes certain expenditures at the Company's operations which are deemed expansionary in nature. Capital expenditures include unpaid capital expenditures incurred in the period.

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, 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.