



1911 Gold Corporation

**Management Discussion and Analysis
For the nine months ended September 30, 2020**

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 nine months ended September 30, 2020. The MD&A was prepared as of November 25, 2020 and should be read in conjunction with the unaudited Condensed Interim Consolidated Financial Statements for the nine months ended September 30, 2020 and 2019, the annual audited Consolidated Financial Statements for the years ended December 31, 2019 and 2018, 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, 2019 and 2018.

In this MD&A, references to grams per tonne and ounces per tonne will be shown as g/t and oz/t. Additional abbreviations that may be used include metres (“m”) and tonnes per day (“tpd”). In addition, throughout this MD&A the reporting periods for the three months ended September 30, 2020 and 2019 are abbreviated as Q3 2020 and Q3 2019, respectively. All dollar amounts are expressed in Canadian dollars, except where noted.

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. On December 1, 2019, 1911 Gold Corporation and 1911 Gold Canada were then amalgamated.

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 and on the Company’s website www.1911gold.com.

OVERVIEW

1911 Gold is a junior explorer and producer that holds a highly prospective, consolidated land package totalling 54,344 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, where it is reprocessing historic tailings on a seasonal basis. 1911 Gold believes its land package provides a prime exploration opportunity, with potential to develop a mining district centred on the True North complex. The Company also owns the Tully and Denton-Keefer projects near Timmins, Ontario, as well as the Apex property near Snow Lake, Manitoba. The Company intends to focus on both organic growth opportunities and accretive acquisition opportunities in North America.

HIGHLIGHTS

- On April 30, 2020, the Company released assay results for 9 drillholes (totaling 2,539 metres) from the Phase 1 exploration drilling program, with the following highlights from the Bidou and Tinney projects:
 - Drillhole TS-20-003 intersected a shear-hosted quartz vein with visible gold at the previously-untested Tinney Shear target, yielding 26.42 g/t Au over 2.03 metres, including 50.85 g/t Au over 1.03 metres;
 - Drillhole TS-20-004, collared 290 metres along strike from TS-20-003 on the Tinney Shear, intersected multiple zones of gold mineralization, highlighted by a shear-hosted vein with visible gold in strongly altered felsic porphyry, which yielded 43.27 g/t Au over 0.65 metres;
 - Drillhole CG-20-001 intersected gold mineralization associated with shear-hosted quartz veins at the previously untested Cougar target, highlighted by 9.29 g/t Au over 2.55 metres (including 18.80 g/t Au over 1.05 metres);
 - Drillhole CG-20-002, collared 85 metres along strike to the north of CG-20-001, intersected 37.65 g/t Au over 0.5 metres;
 - Drillhole BL-20-002, collared 150 metres west of BL-19-001, intersected several zones of gold mineralization associated with shear and extension veins in strongly sulphidized gabbro at the Bidou South target, highlighted by 2.17 g/t Au over 12.22 metres (including 3.70 g/t Au over 3.13 metres and 10.70 g/t Au over 0.84 metres).
- On May 20, 2020, the Company released assay results for the final 9 drillholes (totaling 2,961 m) from the Phase 1 exploration drilling program, with the following highlights from the Bidou and Tinney projects:

- Drillhole TS-20-006: returned 2.25 g/t Au over 3.7 m, including 13.92 g/t Au over 0.5 m; this drillhole was collared on the Tinney Shear target 50 m southeast of drillhole TS-20-003,;
 - Drillhole EO-20-002: intersected a visible gold-bearing stockwork-breccia vein system hosted by felsic porphyry at the previously untested Edna-Otter target, returning 4.29 g/t Au over 3.95 m, including 6.2 g/t Au over 2.55 m and 28.29 g/t Au over 0.5 m;
 - Drillhole EO-20-001: located 100 m along strike to the northwest of EO-20-002, this drillhole yielded two significant intercepts of 0.64 g/t Au over 5.6 m and 1.3 g/t Au over 4.1 m, the latter including 5.14 g/t Au over 0.6 m, both hosted by quartz vein stockworks in felsic porphyry;
 - Drilling at the previously untested Janet target yielded multiple intercepts of gold mineralization over a 300 m strike length of the target structure, highlighted by 0.96 g/t Au over 6.85 m in drillhole JT-20-001, and 2.44 g/t Au over 5.3 m in drillhole JT-20-003.
- On May 21, 2020, following a six-week reduction in site personnel implemented to reduce the risk of outbreak from SARS-CoV-2 (COVID-19), the Company returned all Manitoba-based personnel to site and commenced the 2020 field exploration program and tailings re-processing operations. The decision to return personnel to site was based on the significant reduction in COVID-19 cases in Manitoba and the implementation of enhanced sanitation and physical distancing protocols at site. Exploration programs proceeded as planned in eight project areas, with emphasis on the previously drilled Tinney and Bidou projects. From the resumption of tailings operations, the site processed an average of 1,140 tpd at average grades of 0.8 g/t.
 - On July 14, 2020 the Company completed a private placement by issuing 8,200,000 flow-through common shares for gross proceeds of \$5,208,000. The Flow-Through Shares were issued in two tranches with tranche one consisting of 4,275,000 Flow-Through Shares (the "Premium FT Shares") issued to purchasers resident in Manitoba at a price of \$0.75 per Premium FT Share for aggregate gross proceeds of \$3,206,250 and tranche two consisting of 3,925,000 Flow-Through Shares (the "National FT Shares") issued to purchasers resident outside of Manitoba at a price of \$0.51 per National FT Share for aggregate gross proceeds of \$2,001,750.

In connection with the Offering, the Company issued the underwriters non-transferable broker warrants of the Company ("Broker Warrants") equal to 4.0% of the aggregate number of Flow-Through Shares issued, and a reduced number of Broker Warrants equal to 2.0% of the aggregate number of Flow-Through Shares issued to certain purchasers on the "President's List". Each Broker Warrant is exercisable to acquire one common share in the capital of the Company at an exercise price of \$0.60 per share until January 14, 2022.'

- On August 17, 2020 the Company released initial results from the 2020 field exploration program on the 100% owned Rice Lake Gold Properties in Manitoba. The highlights were as follows:
 - 858.21 g/t gold from the newly discovered Woodchuck target and 97.58 g/t from the Lemming target, both within the Bidou project area, along kilometre-scale structures previously untested by drilling.
 - Multiple high-grade gold targets over 1.5 square kilometres on the Tinney project, which was drilled early in 2020 returning several high-grade results, including 26.42 g/t gold over 2.03 metres in drillhole TS-20-003.
 - 251.83 g/t gold and 250.22 g/t gold from two targets on the Gold Horse project, within a 3.5 km structural corridor with numerous high-grade showings identified by grab sampling, and previously tested by only localized, close-spaced drilling.
 - 169.85 g/t gold from shear-hosted veins on the Smoky South target at Wallace Lake, in rocks equivalent in age and chemistry to the prolific Balmer assemblage in the world-class Red Lake gold camp.
 - Fieldwork continued across multiple project areas to follow-up the exceptional grab sampling results with detailed mapping, outcrop stripping, channel sampling and surficial geochemistry, to further advance these targets towards the fully-funded Phase II exploration drilling program.

FINANCIAL AND OPERATING SUMMARY

| Nine Months Ended September 30 | 2020 | 2019 |
|---|---------------------------|--------------------------|
| Financial Results (in thousands) | | |
| Revenue | \$ 5,491 | \$ 6,960 |
| Cost of sales: | | |
| Production costs | 6,170 | 8,666 |
| Depreciation and depletion | 1,864 | 2,642 |
| Total Cost of Sales | 8,034 | 11,308 |
| General and Administrative Costs | 1,468 | 1,309 |
| Exploration expense | 2,632 | 1,474 |
| Other (income) expenses | (757) | (476) |
| Net Loss and Comprehensive loss | \$ (5,886) | \$ (6,655) |
| Operating Results | | |
| Gold ounces shipped | 2,385 | 3,082 |
| Gold ounces sold | 2,035 | 3,566 |
| Per Ounce Data | | |
| Average realized price | \$ 2,565 | \$ 1,937 |
| Cash cost of operations per ounce produced ⁽¹⁾ | 3,032 | 2,093 |
| All in sustaining costs per ounce produced ⁽¹⁾ | 3,761 | 2,485 |
| Per Share Data | | |
| Basic and diluted loss per share | \$ (0.15) | \$ (0.19) |
| Weighted average common shares outstanding | 40,524,433 | 35,667,857 |
| Balance as of | September 30, 2020 | December 31, 2019 |
| Financial Position (in thousands) | | |
| Cash and cash equivalents | \$ 8,955 | \$ 9,630 |
| Total assets | 46,939 | 48,381 |
| Total liabilities | 5,337 | 4,822 |
| Shareholder equity | 41,602 | 43,559 |

⁽¹⁾ This is a non-IFRS measure; refer to the Non-IFRS Performance Measures section of this MD&A for additional detail. As a result of the shutdown for the first 116 days of 2019 and the first 141 days of 2020 (extended to reduce risk from the initial outbreak of SARS-CoV-2), the cash costs include a significant amount of cost unrelated to the cost of production

REPORT ON OPERATIONS

The Company recommenced tailings operations on May 21, 2020, delayed due to the reduction of onsite personnel initiated on March 23, 2020 at the True North complex in response to the increased risk of COVID-19 outbreak. The operations averaged 1,140 tpd at an average grade of 0.8 g/t during the 132 operating days in 2020, compared with 1,100 tpd at an average grade of 0.9 g/t over the comparable 157 operating days in 2019. In 2019 the Company operated at a reduced tonnage rate in May through June in order to manage water levels with higher than normal spring runoff into the tailings facilities and while the Company completed installation of a booster pump to improve output to the new tailings facility.

EXPLORATION PROPERTIES AND ACTIVITY

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.

During 2020, the Company has been engaged in comprehensive exploration programs at two properties in the Rice Lake district (Rice Lake and Central Manitoba) and is actively collecting, compiling and evaluating information for other properties in the Company's portfolio.

In the Rice Lake district, two project areas at the Central Manitoba property were advanced to drill testing in the Phase I Exploration Drilling Program, completed in March 2020, with results highlighted below. Based on results of continued fieldwork in 2020, it is anticipated that three projects at the Rice Lake property will be advanced to drill testing in the Phase II Exploration Drilling Program, in addition to follow-up drilling on several targets from the Phase I program.

Rice Lake properties

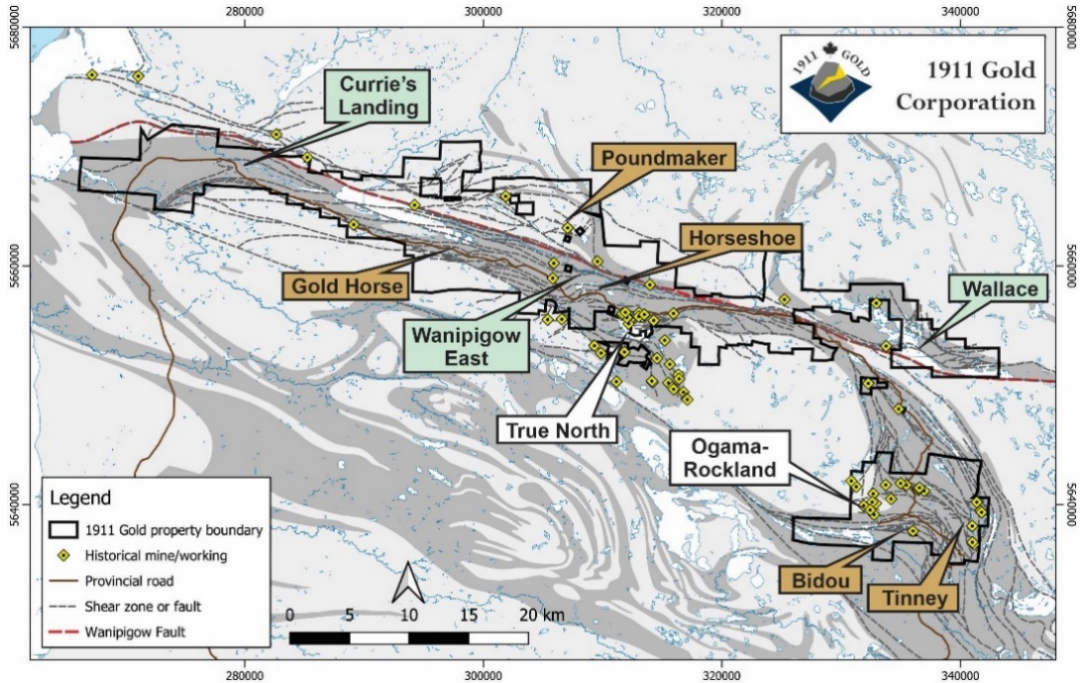
The Rice Lake exploration properties, totaling 54,344 hectares, cover the most prospective portions of the Rice Lake greenstone belt, part of the same belt of greenstones that includes the world-class, high-grade Red Lake

gold district, located approximately 100 kilometres to the east in Ontario. The Rice Lake belt is bound to the north along much of its length by the crustal-scale Wanipigow Fault, which also extends to Red Lake and is considered to represent a first-order control on gold mineralization, comparable in scale to the Porcupine-Destor Fault in the world-class Timmins-Porcupine Gold Camp. 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.

2019 Exploration program

In 2019, the Company initiated its maiden exploration program on its 100% owned mineral claims in the Rice Lake greenstone belt with the staking of 11,382 hectares of prospective ground along the Wanipigow Fault and the acquisition of high-resolution aeromagnetic and LIDAR survey data over the new claim blocks. This data was then merged with compiled and leveled historical datasets to provide near-seamless coverage of the belt. During the 2019 field season exploration was focused on areas with robust datasets and clear exploration potential, including the Bidou and Tinney projects, located approximately 30 km southeast of Bissett at the Central Manitoba property, and the Gold Horse, Poundmaker and Horseshoe projects, located immediately northwest of Bissett at the Rice Lake property (Figure 1). Programs in each of these areas were designed to include systematic collection of new geological datasets to efficiently and effectively advance projects to the stage of drill targeting.

Figure 1: Exploration projects initiated in 2019 (brown) and 2020 (green), in relation to gold deposits with published historical mineral resources (white).



The focused, systematic fieldwork completed in 2019 identified several kilometre-scale targets characterized by anomalous gold in rocks and surficial sediments, possessing structural and stratigraphic complexities typical of world-class gold deposits in other Archean gold districts. Each target showed clear potential to yield significant new gold discoveries, yet had either no record of historical drilling or was previously tested by only shallow localized drilling below historical showings, which generally did not test principal structures. Four projects (Bidou, Tinney, Horseshoe and Poundmaker) were quickly advanced to drill targeting however, due to unusually mild conditions, resulting in an incomplete freeze-up, the Horseshoe and Poundmaker projects could not be efficiently accessed for drilling during the Phase I exploration drilling program.

2019-2020 Phase I Exploration Drill Program results

In Q4 2019 and Q1 2020, the Company successfully completed the Phase I exploration drilling program, during which seven targets were tested in the Bidou and Tinney project areas. The program consisted of 28 diamond drillholes (NQ), for a total of 8,086 metres, completed between November 7, 2019 and March 22, 2020.

Tinney project

The geology of the Tinney project area is analogous to the 60-million-ounce Kalgoorlie Gold Field of the Archean Yilgarn craton in Western Australia, with 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 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.

During the Phase I exploration drilling program, the Company spent \$522,415 testing three targets at the Tinney project: Tinney Shear, Cougar and Edna-Otter. As indicated in Table 1, this drilling returned significant gold values, including localized high-grade gold, from each of the targets. Drilling also confirmed the presence of favourable structures and alteration, quartz vein systems, and helped to define the geometry of the Gunnar porphyry dike, which is a key host-unit that trends through each of the drilled targets. The intensity of veining and alteration within the Gunnar porphyry at the Edna-Otter target, in particular, indicates that it served as a significant conduit for hydrothermal fluids, confirming the potential of this system.

Table 1: Highlighted Phase I drill intercepts from the Tinney project area.

| Target | Hole ID ⁽¹⁾ | Easting (NAD83, UTMZ15N) | Northing | Length (m) | Az. (deg.) | Incl. (deg.) | From (m) | To (m) | Length ⁽²⁾ (m) | Gold ⁽³⁾ (g/t) | |
|--------------|------------------------|-----------------------------|----------|---------------|---------------|-----------------|-------------|------------|------------------------------|------------------------------|-------|
| Tinney Shear | TS-20-001 | 340999 | 5638114 | 326 | 20 | -65 | 98.66 | 100.74 | 2.08 | 0.95 | |
| | | | | | | | 115.92 | 116.85 | 0.93 | 1.05 | |
| | | | | | | | 120.60 | 121.10 | 0.50 | 2.02 | |
| | | | | | | | 304.00 | 304.50 | 0.50 | 3.46 | |
| | TS-20-002 | 341046 | 5638101 | 203 | 20 | -55 | 33.06 | 34.06 | 1.00 | 1.55 | |
| | | | | | | | 157.00 | 159.03 | 2.03 | 26.42 | |
| | TS-20-003 | 341072 | 5638036 | 308 | 20 | -60 | <i>inc.</i> | 157.50 | 158.53 | 1.03 | 50.85 |
| | | | | | | | | 85.50 | 86.00 | 0.50 | 1.89 |
| | TS-20-004 | 340809 | 5638151 | 245 | 20 | -55 | <i>inc.</i> | 98.70 | 99.30 | 0.60 | 2.40 |
| | | | | | | | | 151.65 | 152.30 | 0.65 | 43.27 |
| | | | | | | | | 238.00 | 239.00 | 1.00 | 2.43 |
| | TS-20-005 | 340939 | 5638291 | 305 | 200 | -55 | 238.00 | 239.00 | 1.00 | 2.43 | |
| TS-20-006 | 341114 | 5638021 | 320 | 200 | -55 | <i>inc.</i> | 160.20 | 163.90 | 3.70 | 2.25 | |
| | | | | | | | 160.90 | 161.40 | 0.50 | 13.92 | |
| Cougar | CG-20-001 | 340808 | 5638604 | 281 | 270 | -50 | 174.70 | 177.25 | 2.55 | 9.29 | |
| | | | | | | | 174.70 | 175.75 | 1.05 | 18.80 | |
| | CG-20-002 | 340772 | 5638681 | 308 | 270 | -50 | 88.15 | 88.65 | 0.50 | 37.65 | |
| Edna-Otter | EO-20-001 | 340640 | 5638958 | 404 | 200 | -60 | 229.60 | 230.90 | 1.30 | 3.47 | |
| | | | | | | | 238.40 | 242.50 | 4.10 | 1.30 | |
| | | | | | | | <i>inc.</i> | 238.40 | 239.00 | 0.60 | 5.14 |
| | | | | | | | <i>and</i> | 242.00 | 242.50 | 0.50 | 3.74 |
| | | | | | | | 296.70 | 302.30 | 5.60 | 0.64 | |
| | | | | | | | <i>inc.</i> | 298.15 | 298.90 | 0.75 | 2.37 |
| | EO-20-002 | 340720 | 5638905 | 395 | 200 | -55 | <i>and</i> | 300.70 | 302.30 | 1.60 | 0.56 |
| | | | | | | | | 303.60 | 304.15 | 0.55 | 1.47 |
| | | | | | | | | 311.00 | 314.00 | 3.00 | 0.48 |
| | EO-20-004 | 340553 | 5639007 | 344 | 200 | -60 | <i>inc.</i> | 188.60 | 189.50 | 0.90 | 1.15 |
| | | | | | | | | 225.30 | 229.25 | 3.95 | 4.29 |
| | | | | | | | | 225.30 | 227.85 | 2.55 | 6.20 |
| | | | | | | | | <i>and</i> | 225.30 | 225.80 | 0.50 |
| 254.50 | 255.65 | 1.15 | 1.71 | | | | | | | | |
| 261.40 | 261.90 | 0.50 | 1.34 | | | | | | | | |
| 217.00 | 217.60 | 0.60 | 2.37 | | | | | | | | |

⁽¹⁾ Numbering reflects order in which drill holes were laid-out, rather than sequence of drilling

⁽²⁾ Represents drillcore length, as true width is presently unknown

⁽³⁾ All reported intervals represent weighted averages; bold values correspond to highlighted intercepts

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.

During the Phase I exploration drilling program, the Company spent \$647,173 testing four targets in the Bidou project area: the Bidou Shear, Bidou South, Janet and Midway targets. As indicated in Table 2, this drilling returned significant gold values on each of the targets, including localized high-grade gold and strongly-anomalous to low-grade gold mineralization over significant widths, particularly at the Bidou South target. Each target shows favourable width and continuity of structure, alteration and mineralization, confirming the structural model and providing considerable scope for follow-up drilling along strike and to depth.

Table 2: Highlighted Phase I drill intercepts from the Bidou project area.

| Target | Hole ID ⁽¹⁾ | Easting (NAD83, UTMZ15N) | Northing | Length (m) | Az. (deg.) | Incl. (deg.) | From (m) | To (m) | Length ⁽²⁾ (m) | Gold ⁽³⁾ (g/t) | |
|-------------|------------------------|-----------------------------|----------|---------------|---------------|-----------------|-------------|-----------|------------------------------|------------------------------|-------|
| Bidou Shear | BS-19-001 | 336612 | 5637910 | 269 | 200 | -70 | 98.11 | 100.15 | 2.0 | 3.24 | |
| | | | | | | | <i>inc.</i> | 98.11 | 98.80 | 0.7 | 9.40 |
| | | | | | | | | 101.26 | 101.76 | 0.5 | 2.13 |
| | | | | | | | | 102.40 | 114.31 | 11.9 | 0.19 |
| | BS-19-002 | 336695 | 5637859 | 302 | 200 | -75 | 81.80 | 84.25 | 2.5 | 2.64 | |
| | | | | | | | <i>inc.</i> | 83.65 | 84.25 | 0.6 | 9.98 |
| | BS-20-005 | 337227 | 5637596 | 345 | 240 | -55 | 30.10 | 30.55 | 0.45 | 1.41 | |
| | | | | | | | | 104.00 | 104.50 | 0.50 | 1.17 |
| | | | | | | | | 116.75 | 117.30 | 0.55 | 1.27 |
| | | | | | | | | | | | |
| Bidou South | BL-19-001 | 335116 | 5637916 | 314 | 165 | -70 | 38.50 | 40.31 | 1.8 | 1.66 | |
| | | | | | | | <i>inc.</i> | 38.50 | 39.09 | 0.6 | 3.72 |
| | | | | | | | | 166.80 | 167.75 | 1.0 | 3.47 |
| | BL-20-002 | 334971 | 5637967 | 305 | 165 | -55 | 174.00 | 186.22 | 12.22 | 2.17 | |
| | | | | | | | <i>inc.</i> | 174.00 | 177.13 | 3.13 | 3.70 |
| | | | | | | | and | 178.23 | 179.07 | 0.84 | 10.70 |
| | | | | | | | and | 181.10 | 181.73 | 0.63 | 2.19 |
| | | | | | | | and | 183.60 | 186.22 | 2.62 | 1.68 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Midway | MW-19-001 | 337903 | 5638804 | 200 | 215 | -70 | 129.20 | 131.62 | 2.4 | 0.34 | |
| | | | | | | | <i>inc.</i> | 131.33 | 131.62 | 0.3 | 2.23 |
| | MW-19-003 | 338186 | 5638643 | 318 | 215 | -55 | 241.30 | 241.65 | 0.4 | 3.22 | |
| | MW-19-004 | 338285 | 5638427 | 170 | 215 | -50 | 52.85 | 57.60 | 4.8 | 0.22 | |
| | MW-19-006 | 338288 | 5638428 | 203 | 130 | -60 | 136.95 | 138.50 | 1.6 | 1.48 | |
| | | | | | | | <i>inc.</i> | 136.95 | 137.25 | 0.3 | 5.76 |
| | Janet | JT-20-001 | 335718 | 5638550 | 305 | 175 | -60 | 58.00 | 64.85 | 6.85 | 0.96 |
| <i>inc.</i> | | | | | | | | 58.00 | 59.00 | 1.00 | 3.53 |
| | | | | | | | | 87.00 | 88.00 | 1.00 | 1.34 |
| | | | | | | | | 92.00 | 94.00 | 2.00 | 1.04 |
| | | | | | | | | 113.00 | 113.50 | 0.50 | 5.14 |
| JT-20-002 | | 335829 | 5638547 | 326 | 175 | -60 | 124.70 | 127.00 | 2.30 | 1.92 | |
| | | | | | | | <i>inc.</i> | 154.40 | 157.40 | 3.00 | 0.48 |
| | | | | | | | | 154.40 | 155.40 | 1.00 | 1.03 |
| JT-20-003 | | 335527 | 5638535 | 275 | 175 | -60 | 102.20 | 107.50 | 5.30 | 2.44 | |
| | | | | | | | <i>inc.</i> | 104.40 | 107.50 | 3.10 | 3.16 |
| | | | | | | | and | 105.90 | 107.50 | 1.60 | 4.37 |

⁽¹⁾ Numbering reflects order in which drill holes were laid-out, rather than sequence of drilling
⁽²⁾ Represents drillcore length, as true width is presently unknown
⁽³⁾ All reported intervals represent weighted averages; bold values correspond to highlighted intercepts

2020 Exploration Program

On April 28, 2020, field crews began mobilizing to the True North site at Bissett, Manitoba, in advance of the 2020 field exploration program. This mobilization occurred in stages over several weeks, with strict adherence to comprehensive guidelines implemented by the Company to mitigate the spread of COVID-19, based on guidelines provided by federal and provincial public health officials.

The full field program was underway by mid-May 2020, with the goal of further advancing targets identified in 2019 and identifying compelling new drill targets for the Company’s fully-funded Phase II exploration drilling program, planned to include 18,000 metres of drilling in Q4 2020 and Q1 2021.

Priority project areas for the 2020 field exploration program—Bidou and Tinney—were advanced significantly in the past 12 months and continued to yield exciting new results. In addition, field crews identified and refined targets at the Poundmaker, Gold Horse and Horseshoe projects. These exploration programs include geological mapping, outcrop stripping, detailed mapping, channel sampling and surficial geochemistry, all underpinned by high-resolution aeromagnetic and LiDAR datasets. Field crews also initiated exploration at the new Currie’s Landing, Wallace Lake and Wanipigow East projects (Figure 1), each of which is located along the crustal-scale Wanipigow Fault and was identified on the basis of geological similarities to other major Archean gold deposits as follows:

- Currie’s Landing: analogous structural setting to the 3-million-ounce True North Gold Deposit at Bissett; second and third-order, southwest-trending splay structures off the Wanipigow Fault
- Wallace Lake: correlative rocks to the prolific Balmer assemblage in the 30-million-ounce Red Lake Gold Camp; second and third-order splay structures off the Wanipigow Fault
- Wanipigow East: analogous structural setting to the 4-million-ounce Meliadine Gold Deposit in Nunavut; sheared and folded iron formation along the crustal-scale Wanipigow Fault

2020 Exploration Program Results

Assay results from samples collected during mapping and prospecting in the early portion of the 2020 field exploration program, reported on August 17, 2020 (Table 3), indicate significant potential within kilometres-scale

structural targets in several project areas, including several areas with high-grade gold mineralization exposed on surface.

One particularly exciting discovery, the newly discovered 'Woodchuck' target (Figure 2), was made during detailed mapping and prospecting west of the Janet target (drilled in Q1 2020). This Woodchuck target occurs on the margin of a drift-covered bedrock lineament interpreted from aeromagnetic and LiDAR data to represent an east-northeast trending shear, with no record or evidence of previous work. This structure parallels the Janet structure, located 200 m to the south, representing a stacked series of highly prospective structures. Quartz-tourmaline veins at Woodchuck are hosted by felsic porphyry and define a stockwork with local pyrite, chalcopyrite and coarse visible gold. The stockwork transitions into tourmaline-matrix breccia towards the footwall. Grab samples have returned numerous high-grade gold values, including up to 858.2 g/t Au from shear veins, 21.2 g/t Au from extension veins, and 47.6 g/t Au from breccia veins (Table 3). Hand stripping and detailed mapping were completed on available outcrops, as well as limited channel sampling of suitably oriented outcrop surfaces (generally yielding anomalous gold values). Surficial geochemistry was completed late in the 2020 field season over this area to identify the most prospective portions of this structure for drill targeting, with the results of this work currently being evaluated. This significant new surface showing demonstrates the importance of 'boots-on-the-ground' exploration and confirms the predictive value of the Company's exploration model.

Figure 2: Detailed geology map of the Bidou and Tinney project areas, showing targets tested in the Phase I exploration drilling program, newly identified targets (yellow callouts), and major known or inferred structures.

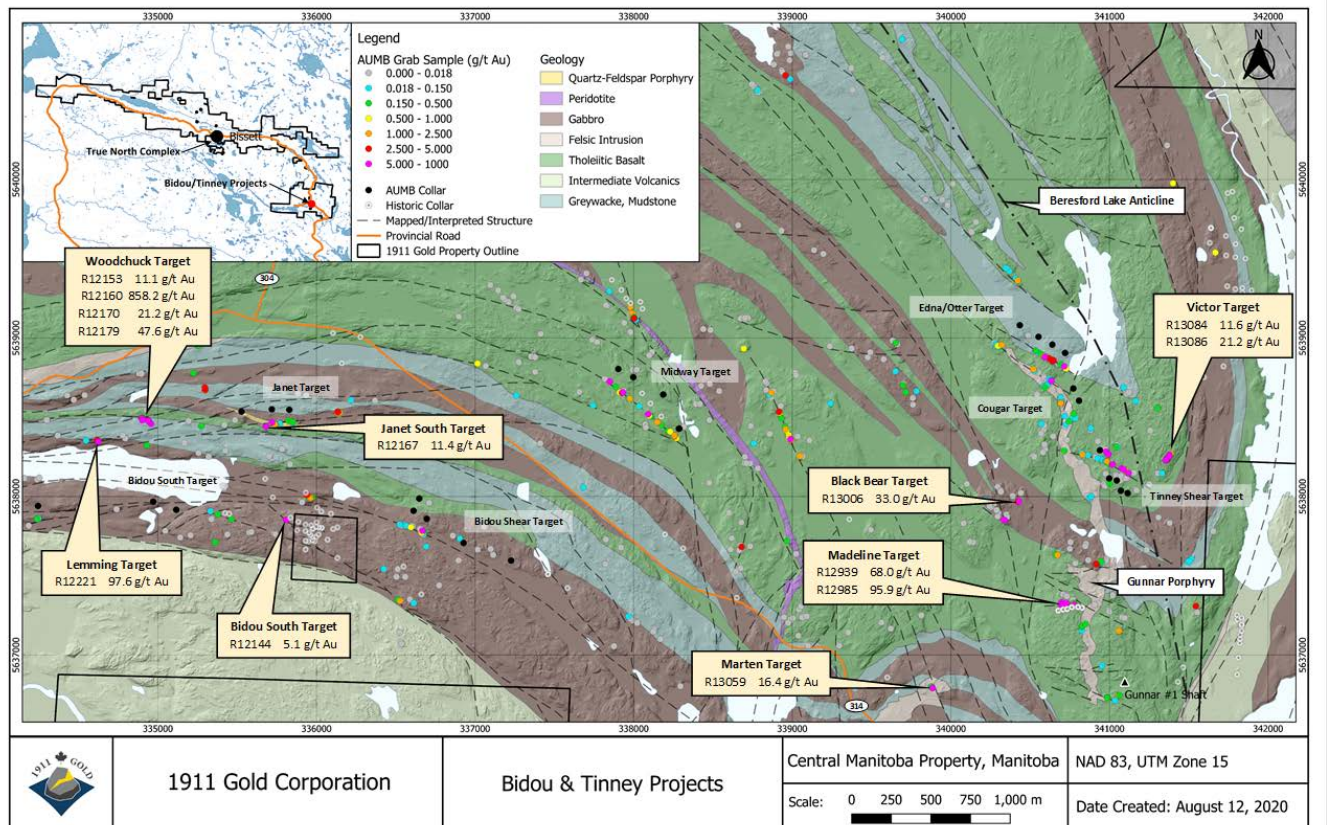


Table 3: Assay highlights from 2020 grab sampling in each of the project areas

| Project | Sample | Easting | Northing | Target/vein | Vein type | True North | Actlabs | Actlabs |
|------------------|--------|---------|----------|------------------------|-------------------------|---------------------|---------------------|-------------------|
| | | | | | | FA-GRAV (g/t Au) | FA-GRAV (g/t Au) | FA-MS (g/t Au) |
| Bidou | R12167 | 335681 | 5638441 | Janet South* | Extension vein | 11.42 | | |
| | R12221 | 334623 | 5638346 | Lemming* | Shear vein | 97.58 | | |
| | R12144 | 335808 | 5637852 | Bidou South | Shear vein | 5.07 | | |
| | R12153 | 334941 | 5638478 | Woodchuck* | Stockwork veins | 11.07 | 11.30 | |
| | R12160 | 334908 | 5638492 | Woodchuck* | Stockwork veins | 858.21 | | 799.0 |
| | R12170 | 334957 | 5638457 | Woodchuck* | Extension veins | 7.61 | 21.20 | |
| | R12179 | 334943 | 5638478 | Woodchuck* | Breccia vein | | 47.60 | |
| Tinney | R13006 | 340429 | 5637968 | Black Bear | Shear vein (muck pile) | 32.98 | | |
| | R13059 | 339885 | 5636792 | Marten | Shear vein | 16.35 | | |
| | R12939 | 340706 | 5637318 | Madeline | Shear vein | 67.95 | | |
| | R12985 | 340728 | 5637329 | Madeline | Shear vein (muck pile) | 95.93 | | |
| | R13084 | 341363 | 5638238 | Victor | Shear vein | 11.62 | | |
| | R13086 | 341363 | 5638244 | Victor | Shear vein (fold hinge) | 21.22 | | |
| Currie's Landing | R13639 | 702275 | 5665281 | Unnamed* | Shear veins | 0.34 | | |
| | R13667 | 694388 | 5665288 | Unnamed* | Shear vein | 0.79 | | |
| Gold Horse | R12586 | 297101 | 5660681 | Eleanor | Shear vein (muck pile) | 250.22 | | |
| | R12607 | 299655 | 5659630 | Iron Horse East | Shear vein | 75.87 | | |
| | R12716 | 299666 | 5659622 | Iron Horse East | Shear vein | 93.22 | | |
| | R12603 | 299079 | 5659884 | Iron Horse West | Shear vein (muck pile) | 32.74 | | |
| | R12618 | 299078 | 5659880 | Iron Horse West | Shear vein | 251.83 | | |
| Poundmaker | R13462 | 306584 | 5664135 | Osprey | Shear vein | 9.74 | | |
| | R13464 | 306586 | 5664135 | Osprey | Shear vein | 6.48 | | |
| Wallace Lake | R14034 | 331558 | 5657909 | Crown 10 | Shear vein (muck pile) | 21.50 | | |
| | R13919 | 331749 | 5657150 | Higrade #1 | Shear vein (muck pile) | 42.27 | | |
| | R13957 | 331746 | 5657147 | Higrade #1 | Shear vein | 31.27 | | |
| | R13862 | 332282 | 5656289 | Smoky East | Shear vein | 55.54 | | |
| | R13866 | 332028 | 5655991 | Smoky South | Extension vein | 6.89 | | |
| | R13960 | 332185 | 5656028 | Smoky South | Shear vein | 31.23 | | |
| | R13961 | 332187 | 5656029 | Smoky South | Shear vein | 169.85 | | |
| | R13873 | 334916 | 5655718 | Unnamed | Shear vein | 27.05 | | |
| R13874 | 334914 | 5655718 | Unnamed | Shear vein (muck pile) | 46.53 | | | |

Abbreviations: FA-GRAV, Fire Assay-Gravimetric; FA-MS, Fire Assay-Metallic Screen

Asterisk (*) following Target/vein name indicates new gold discovery

UTM coordinates for the Currie's Landing project are NAD83, Z14N; all others are NAD83, Z15N

Fieldwork at the Tinney project area focused on kilometre-scale structures in the core and southern limb of the Beresford Lake anticline, along the trend and to the west of the Gunnar porphyry, thus expanding the mapping, prospecting and surficial geochemistry coverage to the south and west of the area worked in 2019. Grab sampling of shear veins in historical prospect pits returned localized high-grade gold in multiple structures (Figure 2), including 32.98 g/t Au from the Black Bear vein, 16.35 g/t Au from the Marten vein, 95.93 g/t Au from the Madeline vein, and 21.22 g/t Au from the Victor vein (Table 3). These results were followed up with outcrop stripping, mapping and surficial geochemistry to define priority drill targets within these structural trends.

In addition, the Company continues to receive strongly encouraging results from ongoing fieldwork on projects elsewhere within the Rice Lake district. At both the Gold Horse and Poundmaker projects (Figure 1), geological mapping within granodiorite-tonalite plutons has defined networks of intersecting brittle-ductile shears with local high-grade gold hosted by shear veins (e.g., Osprey, Iron Horse East, Iron Horse West and Eleanor; Table 3). The geometry, style and sense of movement of these shears is identical to structures in the True North mine, suggesting they formed in a similar stress field over the same time periods. Ongoing work is focused on 3D modeling of the shear networks and surficial geochemistry to define drill targets within kilometre-scale structural corridors in both project areas.

At Wallace Lake (Figure 1), geological mapping and verification sampling of historical showings shows that high-

grade gold occurrences are largely concentrated in the hinge and southern limb of a regional-scale fold (syncline) defined by a sequence of quartzite, iron formation, komatiite and iron-rich basalt that is equivalent in age to the prolific Balmer assemblage in the adjacent Red Lake gold camp. Reconnaissance mapping and prospecting has identified two areas for follow-up surficial geochemistry, completed during the 2020 field season, to begin advancing this project towards drill targeting.

The Currie's Landing project is a true greenfield exploration play in the Rice Lake belt, having seen negligible exploration for gold, in part due to limited outcrop in key areas. Reconnaissance mapping and prospecting in 2020 has identified anomalous gold in several locations separated by large swaths of no bedrock exposure, suggesting significant, historically overlooked potential. Areas of structural complexity indicated by aeromagnetic data within this project area will be targeted using surficial geochemistry and ground geophysics, as appropriate, to evaluate potential.

At the Wanipigow East project (Figure 1), the IP geophysical survey completed in March 2020 over tightly folded iron formation within the Wanipigow Fault was successful in defining a large IP chargeability anomaly, and was followed-up during the 2020 field season with detailed ground magnetic and VLF-EM surveys. This work has identified coincident zones of chargeability, conductivity and potential magnetic depletion, representing compelling exploration targets for 'iron formation-hosted' gold deposits that have not previously been tested by drilling. In conjunction with surficial geochemistry acquired late in the 2020 field season, this data will be utilized to define drill targets within this large-scale structure.

2020-2021 Phase II exploration drill program

Based on the results of the Phase I exploration drilling program, the Company anticipates follow-up drilling on six of the seven targets tested in the Bidou and Tinney project areas, focusing on delineating auriferous structures along strike and to depth, as well as down the interpreted plunge of mineralization. The Phase II exploration drilling program, which commenced on November 1, 2020, will include 10,000 metres of follow-up drilling in the Tinney and Bidou project areas, and 8,000 metres to test new targets in the Tinney and Bidou project areas, as well the Poundmaker, Horseshoe and Wanipigow East project areas.

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 in order to guide corporate strategy and future exploration.

In part due to the COVID-19 pandemic, the Company does not anticipate initiating exploration activities on either of its properties in the Timmins district in 2020 and has applied for an Exclusion of Time for assessment work under Ontario's relief plan relating to COVID-19; however, compilations are continuing for both properties in order to guide the design and implementation of future exploration programs.

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 and consists of 5 mining claims, totaling 752 hectares. 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 mineralization are apparent. In

2019, the Company completed a small program of geological mapping, prospecting and surficial geochemical surveys (humus and black spruce bark), focused on historical showings on the Apex Property. The Company also completed an inversion of very high-resolution aeromagnetic data acquired by a previous operator, which provides important new information on the geology and structure of the property to depth. Reconnaissance grab samples yielded a number of high-grade gold assays, demonstrating that there is considerable potential for high-grade gold mineralization on the property, 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.

REVIEW OF FINANCIAL RESULTS

During the nine months ended September 30, 2020, the Company generated a loss of \$5.9 million compared to a loss of \$6.7 million for 2019, primarily due to a \$2.5 million decrease in production costs as a result of shutting down the underground care and maintenance in October 2019 as well as the six week delay in recommencing the 2020 tailings operations. This was offset by a \$1.5 million decrease in gold sales, as delayed startup resulted in 697 fewer ounces shipped during the period compared with 2019, with a corresponding 1,391 decrease in total gold ounces sold (in 2019 gold sales also includes 470 ounces sold from cleanup).

Revenue

During the nine months ended September 30, 2020, the Company sold 2,035 ounces for total proceeds of \$5.2 million, as well as received net proceeds of \$0.3 million from 194 gold ounces recovered from mill cleanup completed in early March. During the same period in 2019, the Company sold 3,096 gold ounces from production and an additional 470 ounces recovered from the Q1 2019 mill clean-out, for total proceeds of \$7.0 million. As a result of the delayed tailings re-processing startup, the first shipment of gold in 2020 occurred in July versus June in 2019.

Cost of sales

Cost of sales includes the periods where the mill is on seasonal care and maintenance and, in prior years, the cost of maintaining the underground mine complex. For the nine months ended September 30, 2020 the Company incurred \$8.0 million in operating costs, including \$1.9 million of depreciation and depletion, compared with \$11.3 million during the nine months ended September 30, 2019, including \$2.6 million of depreciation and depletion. The decrease primarily arises from the cessation of ongoing care and maintenance activities for the underground mine on October 5, 2019, reducing costs by \$1.2 million for the nine months ended September 30, 2020 from the same period in 2019. The remaining reduction in costs arises from the delayed startup of tailings re-processing operations, resulting in a \$0.3 million reduction in direct tailings reprocessing costs, and lower utility, fuel and propane costs at site (\$0.7 million) as a result of lower utility rates, fuel usage, and heating requirements. The Company also received \$0.3 million from the Canadian Emergency Wage Subsidy program for the months of March and April, offsetting operating payroll costs during the nine months ended September 30, 2020.

The decrease in depreciation and depletion is a result of equipment dispositions in 2019, reducing the average capital asset balance in the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019.

General and administrative costs

General and administrative costs remained consistent at \$1.4 million and \$1.3 million respectively for the nine months ended September 30, 2020 and 2019.

Other expense

Flow through premium recovery

The Company recognized a flow-through premium recovery of \$0.7 million during the nine months ended September 30, 2020 from the qualifying Canadian exploration expenses incurred related to the March 5, 2019 private placement and \$0.1 million related to the July 14, 2020 private placement (the nine months ended September 30, 2019 - \$0.1 million related to the September 19, 2018 and \$0.4 million related to the March 5, 2019 private placements).

QUARTERLY RESULTS

The following selected financial information is a summary of the eight most recently completed quarters up to September 30, 2020.

| Quarter Ended (\$ amounts in '000's) | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 | Sept 30, 2019 | Jun 30, 2019 | Mar 31, 2019 | Dec 31, 2018 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| Gold sold (ounces) | 2,035 | – | – | 2,711 | 3,133 | 370 | 63 | 3,580 |
| Revenues | \$ 5,219 | \$ 272 | \$ – | \$ 5,320 | \$ 6,181 | \$ 669 | \$ 110 | \$ 5,774 |
| Comprehensive Income (Loss) | \$ 526 | \$ (2,532) | \$ (3,880) | \$ (1,180) | \$ 1,230 | \$ (3,858) | \$ (4,027) | \$ (5,475) |

During 2018 the Company operated as a subsidiary of Klondex until July 20, 2018 when, pursuant to the terms the Arrangement Agreement, 1911 Gold shares were distributed to existing Klondex shareholders and the Company commenced operating on a standalone basis. During Q3-2018 and Q4-2018, the Company continued to re-process tailings, milling a total of 137,556 tonnes with an average grade of 0.9 g/t at a 73% recovery rate, producing 3,166 ounces of gold for the period. On December 13, 2018, the Company suspended the operations due to the onset of winter, completing the Company's planned 2018 operating season. The Company also 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.

The seasonal shutdown extended from December 2018 through the first quarter of 2019, during which time the Company carried out required maintenance and a full clean-out of the mill facilities. The Company received total proceeds of \$0.9 million in Q3 2019 from the 470 ounces recovered from the mill cleanup. Tailings operations recommenced on April 26 and were shut down early on October 1, 2019 due to the heavy rain and early onset of winter conditions. During the five months of operations True North processed 222,134 tons containing 6,081 ounces of gold.

During the first four months of 2020, the Company continued to operate on care and maintenance, completing annual maintenance on the mill facility and surface equipment. This included the cleanup and recovery of residual gold ounces in areas that had not been covered in the 2019 cleanup, providing net proceeds of \$0.3 million from the recovery of 194 ounces of gold. On March 20, 2020, in response to the increasing risk of outbreak of Sars-CoV-2, the Company reduced on site personnel to minimum care and maintenance levels and initiated a work from home policy for all corporate and exploration personnel. A phased return to site was implemented in May, based on the significant reduction in COVID-19 cases within Manitoba, and the 2020 tailings re-processing season commenced operations on May 21, 2020 once all Manitoba based personnel returned to site. During the period from startup through September 30, 2020 the operations processed 172,696 tonnes containing 5,902 ounces of gold.

LIQUIDITY AND CAPITAL RESOURCES

| (\$ amounts in '000's) | September 30 2020 | December 31 2019 |
|---------------------------|----------------------|---------------------|
| Cash | \$ 8,955 | \$ 9,630 |
| Total current assets | 12,036 | 11,478 |
| Total assets | 46,939 | 48,381 |
| Total current liabilities | 2,572 | 2,192 |
| Total liabilities | 5,337 | 4,822 |
| Total equity | 41,602 | 43,559 |

The Company is currently focused on maximizing cashflow by re-processing tailings to support the ongoing maintenance costs of True North as well as exploration activities in the region. Tailings re-processing operations are seasonal, running primarily from April to November, with startup in 2020 delayed an additional six weeks as the Company reduced onsite personnel to minimize the risk of a Sars-CoV-2 outbreak. During the shutdown period (142 days), the Company carried out annual maintenance in preparation for the 2020 operating season as well as performed enhanced sanitation on all living and working areas at the site. Additional personnel have been added as well to permanently maintain these increased sanitation levels during the operating period. As a result of the delayed startup of tailings operations, the first shipment of gold from site occurred in July, compared with June in 2019. The Company also completed the 2019/2020 Phase 1 Exploration Drilling Program during Q1 2020 and commenced the field exploration program in May 2020, spending the remaining \$2.0 million in cash raised from the 2019 flow-through financing as well as an additional \$0.6 million of the funds raised in the July 2020 flow-through financing.

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 tailings operations, exploration, future development programs, the ability to obtain equity or other sources of financing, and the price of gold. To date, exploration on the Company's mineral claims in the Rice Lake district has been funded primarily from funds raised in financing activities. This exploration activity is expected to identify additional resources to provide future sources of ore feed for the True North milling facility.

As at September 30, 2020, the Company had cash and cash equivalents of \$9.0 million (December 31, 2019 – \$9.6 million) and working capital of \$9.5 million (December 31, 2019 – \$9.3 million). During the nine months ended September 30, 2020, the Company lost \$4.5 million (2019 - \$2.1 million) from operating, exploration, and investing activities, excluding working capital changes.

On July 14, 2020, the Company completed a private placement by issuing 8,200,000 flow-through common shares for gross proceeds of \$5.2 million. The Flow-Through Shares were issued in two tranches with tranche one consisting of 4,275,000 Flow-Through Shares (the "Premium FT Shares") issued to purchasers resident in Manitoba at a price of \$0.75 per Premium FT Share for aggregate gross proceeds of \$3.2 million and tranche two consisting of 3,925,000 Flow-Through Shares (the "National FT Shares") issued to purchasers resident outside of Manitoba at a price of \$0.51 per National FT Share for aggregate gross proceeds of \$2.0 million.

Management considers the Company's liquidity position at September 30, 2020, 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, 2020 | 46,395,730 | 3,988,334 | 213,330 | 2,990,233 |

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. As at September 30, 2020, the Company had working capital (current assets less current liabilities) of \$9.5 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.

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 historical foreign currency gains and losses primarily relate to amounts on intercompany loan balances and 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 of September 30, 2020, the Company 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, 2020 (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 9 *Reclamation obligation* for additional details.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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, 2020 and 2019, the Company incurred the following charges by directors and officers of the Company and by companies controlled by directors and officers of the Company. All fees have been reported as general and administrative expenses, with the exception of \$142 of salaries and wages that was included in exploration expense (2019 - \$nil).

| (\$ amounts in '000's) | Three months ended September 30 | | Nine months ended September 30 | |
|------------------------|---------------------------------|--------|--------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Salaries and wages | \$ 163 | \$ 156 | \$ 672 | \$ 460 |
| Professional fees | 5 | 2 | 11 | 13 |
| Directors' fees | 45 | 45 | 137 | 131 |
| Management fees | — | — | — | 13 |
| Share-based payments | 24 | 21 | 80 | 183 |
| Total | \$ 237 | \$ 224 | \$ 900 | \$ 800 |

OUTLOOK

The Company will continue to take a systematic, multi-disciplinary approach to advance its exploration properties in Manitoba and Ontario. The methodology employed in 2019 proved to be highly successful in identifying viable drill targets and will continue to be modified and enhanced as more data becomes available. The presence of significant gold intercepts in 27 out of 28 drillholes completed during the Phase 1 exploration drilling program and the exceptionally high grade surface grab samples in 2020 (up to 858 g/t) not only supports the exploration model but also confirms the exploration potential of these areas.

Near-term, the focus will continue to be on the Company's Rice Lake exploration properties. The 2020 field exploration program completed in early September and significantly advanced the five projects worked during the 2019 program, as well as identifying new areas for follow up. These results have been integrated with the data from the Phase I drilling program, identifying a number of areas for follow up in the Company's Phase 2 drilling program which commenced on November 1, 2020. The Company plans to complete approximately 60 drillholes, totaling 18,000 metres of drilling, during the Phase 2 drilling program. Approximate 12,000 metres will test high-grade gold targets at the Tinney and Bidou projects, and an additional 6,000 metres will be allocated to first-pass drilling at the Horseshoe, Poundmaker and Wanipigow East projects.

The Company will continue to compile, process, and interpret information for its other exploration properties, focusing on the highly prospective Denton-Keefer and Tully properties located in west Timmins, Ontario, and on the Snow Lake (Apex) property in Manitoba.

The 2020 tailings re-processing operations commenced on May 20, 2020, after a six-week delay as the Company kept the operations at minimal personnel levels in order to mitigate against a possible outbreak of COVID-19 infection. This delay will reduce the overall expected tonnage for 2020, however the Company expects to process approximately 210,000 tonnes in 2020, at an average grade of 0.8 g/t, producing approximately 5,000 ounces for the year, comparable to 2019. In 2021 the Company plans to continue reprocessing tailings, although at a lower overall grade (approximately 0.7 g/t), and is evaluating options to continue this operation into 2022 and thereafter.

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; 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.

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, 2019 as well as in Note 15 of the Company's audited consolidated financial statements for the year ended December 31, 2019, as filed on the SEDAR website at www.sedar.com.

Additional risks include:

SARS-CoV-2 (COVID-19) and Global Health Crisis

The global outbreak of COVID-19 and efforts to contain it may have an impact on the Company's business. The Company continues to monitor the situation and the impact the virus may have on both the True North tailings operations as well as the exploration program on the Rice Lake properties. Should the virus spread, further restrictions be placed by provincial or federal health authorities, or should one of the Company's personnel become infected, the Company's operating and exploration activity may be impacted. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus.

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, 2020 and 2019:

| Nine Months Ended | September 30, 2020 | September 30, 2019 |
|--|---------------------------|---------------------------|
| <i>(in thousands, except ounces and per ounce figures)</i> | | |
| Total cash costs per ounce | | |
| Production costs ⁽¹⁾ | \$ 6,170 | \$ 8,666 |
| Underground care and maintenance costs ⁽¹⁾ | – | (1,204) |
| Total cash costs | 6,170 | 7,462 |
| Gold ounces sold | 2,035 | 3,566 |
| Total cash cost per ounce⁽²⁾ | \$ 3,032 | \$ 2,093 |
| | | |
| All-in sustaining costs per ounce | | |
| Total cash costs | \$ 6,170 | \$ 7,462 |
| General and administrative, net of depreciation | 1,468 | 1,309 |
| Sustaining capital expenditures ⁽³⁾ | 16 | 91 |
| All-in sustaining costs | 7,654 | 8,862 |
| All-in sustaining costs per ounce⁽²⁾ | \$ 3,761 | \$ 2,485 |

(1) As a result of the shutdown for the first 116 days of 2019 and the first 141 days of 2020 (extended in 2020 to mitigate the risk from the initial outbreak of SARS-CoV-2), the cash costs include a significant amount of cost unrelated to the cost of production.

(2) 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, impacts arising from the global disruption caused by the COVID-19 outbreak, 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.