



1911 Gold Corporation

# Management Discussion and Analysis

(Expressed in thousands of Canadian dollars)

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**For the six months ended June 30, 2021**





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 six months ended June 30, 2021. The MD&A was prepared as of August 17, 2021 and should be read in conjunction with the unaudited condensed interim Consolidated Financial Statements for the three and six months ended June 30, 2021 and 2020, the annual audited Consolidated Financial Statements for the years ended December 31, 2020 and 2019, 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, 2020 and 2019.

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 tonnes per day (“tpd”). All references to ounces refer to gold ounces unless otherwise specified. In addition, throughout this MD&A the reporting periods for the three months ended June 30, 2021 and 2020 are abbreviated as Q2 2021 and Q2 2020, respectively. All dollar figures are in Canadian unless otherwise stated.

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

## OVERVIEW

1911 Gold is a junior explorer and producer that holds a highly prospective, consolidated land package totalling 55,567 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 centered 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

- During Q2 of 2021, the Company obtained final assay results for the Phase II exploration drilling program at its Rice Lake exploration properties. Drilling operations concluded on March 15, 2021, after completing a total of 17,026 metres of drilling in 59 drillholes, testing 14 targets across five project areas. The drilling program included both follow up drilling (12,247 metres) of targets from the Phase I program at the Bidou and Tinney projects, as well as first pass drilling (4,779 metres) of new targets at five projects, including new areas at Tinney and Bidou, within its district-scale land position. Key highlights from the Phase II program include:

### **Tinney Project Area:**

- 8.1 g/t gold over 5.7 metres (EO-21-005)
- 11.3 g/t gold over 1.6 metres (EO-21-005)
- 32.8 g/t gold over 1.1 metres (EO-21-014)
- 7.1 g/t gold over 2.5 metres (EO-21-016)
- 36.6 g/t gold over 1.3 metres (EO-21-018)

### **Bidou Project Area:**

- 6.0 g/t gold over 3.3 metres (BL-20-005)
- 4.7 g/t gold over 2.3 metres (BS-20-004)



- In late April, the Company commenced the 2021 field exploration program, including geological mapping, prospecting, and surficial geochemical surveys in the Tinney, Bidou, Wallace, Gold Horse, Poundmaker and Currie's Landing project areas. Surficial geochemistry was the major focus in Q2 2021, including expansion and infill of grids initiated in 2020, as well as initiation of new grids over prospective areas identified during the 2020 field program.
- Concurrent with the start of the field program, the Company completed a comprehensive analysis and interpretation of results from the Phase I and Phase II drilling programs, with emphasis on the most advanced targets at the Tinney and Bidou projects (Edna-Otter and Bidou South targets, respectively). The work included revised 3D models of the mineralized zones taking into consideration all available data, and block-modeling of the mineralized zones in order to identify and constrain areas for both infill and step-out drilling, planned for Q3-Q4, 2021 and Q1 2022.
- The Company commenced the tailings reprocessing season on April 20, following several weeks of milder temperatures providing for the early mobilization of field equipment and crew to prepare for the 2021 production season. Over the second quarter of 2021 the processing rate steadily increased from an average of 977 tpd in April to 1,236 tpd in June (with a further increase to 1,300 tpd in July), containing an average grade of 0.7 g/t Au. The Company expects to process between 200,000 and 240,000 tonnes in 2021 (weather dependent) to produce approximately 4,500 ounces of gold.
- On June 3, 2021 the Company entered into a purchase agreement with Alliance Mining Corp. ("Alliance") for the sale of 1911 Gold's 50% interest in 27 contiguous mining claims, totalling 410 hectares, collectively known as the Greenbelt property, located south of Bissett, Manitoba for total consideration of \$0.5 million, payable in cash or shares of Alliance. Share consideration received can be retained by the Company, subject to a Alliance' right to repurchase, by providing notice during within 90-days following the date the shares were issued. In the event no election is made by 1911 Gold, the shares must be repurchased by Alliance within 121 days from their date of issue.
- On June 7, 2021, the Company announced the signing of a definitive agreement with StrikePoint Gold Inc. with respect to the acquisition of a 100 per cent interest in the Angelina Property, located approximately 20 kilometres southeast of Bissett, Manitoba. The acquisition, comprising 17 contiguous mining claims totaling 2,300 hectares, extends the Company's land position northward along strike from the Tinney and Bidou projects in an area of highly prospective geology and represents a continuation of the Company's consolidation strategy in the Rice Lake belt.



## FINANCIAL AND OPERATION SUMMARY

Six months ended June 30	2021	2020
<b>Financial Results (in thousands)</b>		
Revenue	\$ 1,785	\$ 272
Cost of sales:		
Production costs	4,909	3,354
Depreciation and depletion	856	1,226
	(3,980)	(4,308)
General and Administrative Costs	1,089	851
Exploration expense	3,580	1,865
Other (income) expenses	(3,465)	(612)
<b>Net Loss and Comprehensive loss</b>	<b>\$ (5,184)</b>	<b>\$ (6,412)</b>
<b>Operating Results</b>		
Gold ounces shipped	185	–
Gold ounces sold	1,238	–
<b>Per Ounce Data</b>		
Average realized price	\$ 2,331	\$ –
Cash cost of operations per ounce sold <sup>(1)</sup>	3,964	\$ –
All in sustaining costs per ounce sold <sup>(1)</sup>	4,897	\$ –
<b>Per Share Data</b>		
Basic and diluted loss per share	\$ (0.11)	\$ (0.17)
Weighted average common shares outstanding	46,619,954	38,156,022
<b>Balance as of</b>	<b>June 31</b>	<b>December 31</b>
	<b>2021</b>	<b>2020</b>
<b>Financial Position (in thousands)</b>		
Cash and cash equivalents	\$ 2,993	\$ 10,029
Total assets	41,412	47,621
Total liabilities	4,645	5,969
Shareholder equity	36,767	41,652

[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 141 days of 2020 and the first 110 days of 2021, the cash costs include a significant amount of cost unrelated to the cost of production.

## TAILINGS OPERATIONS

The Company commenced tailings operations on April 20, 2021, with milder weather conditions in March providing an early start to the season compared to the past several years. The operations averaged 1,110 tpd during the 71 operating days of Q2 2021, compared with an average rate of 1,073 tpd over 40 operating days in Q2 2020. The average grade processed during both years was 0.7 g/t Au. The tonnage rates steadily increased over Q2 2021 from 977 tpd in April to 1,236 tpd in June, with a further increase to approximately 1,315 tpd in the month of July.

In late May 2021 the Company commenced the trial usage of a high frequency feeder screen plant (“HFFS”) at the tailings excavation site, designed to screen oversize extraneous material to provide for less reject material at the crusher and an accelerated drying time. During the trial period the operations did experience an improvement in the overall tonnage rate as the removal of oversize extraneous material at the tailings impoundment area reduced the reject from processing. However, the finer consistency of the stockpiled material after screening significantly increased the absorption of moisture from rainfall, resulting in a denser material (comparable to cement) which necessitated further handling and mixing with



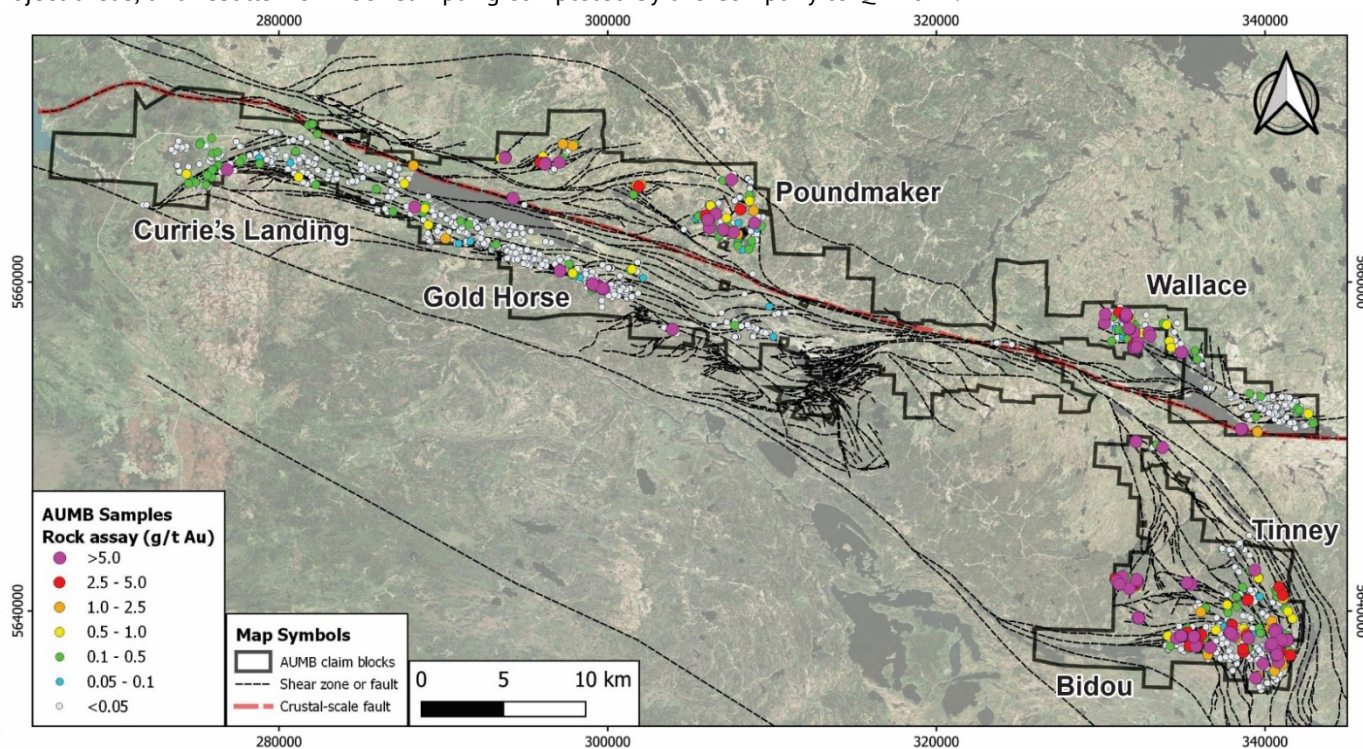
other un-screened tailings prior to loading for transport to the mill. As a result of this, the HFFS was returned at the end of June, although the Company is continuing to evaluate alternative screening methods that do not compromise the consistency of the tailings material.

## EXPLORATION

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

The Rice Lake exploration properties, totaling nearly 58,000 hectares after the acquisition completed in Q2 2021, cover the most prospective portions of the Rice Lake greenstone belt (**Figure 1**), part of the same belt of greenstones that includes the world-class, high-grade Red Lake gold district, located approximately 100 kilometres to the east in Ontario. The 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.

**Figure 1:** Regional map of the Rice Lake exploration properties, showing consolidated land position, major structures and project areas, and results from rock sampling completed by the Company to Q2 2021.



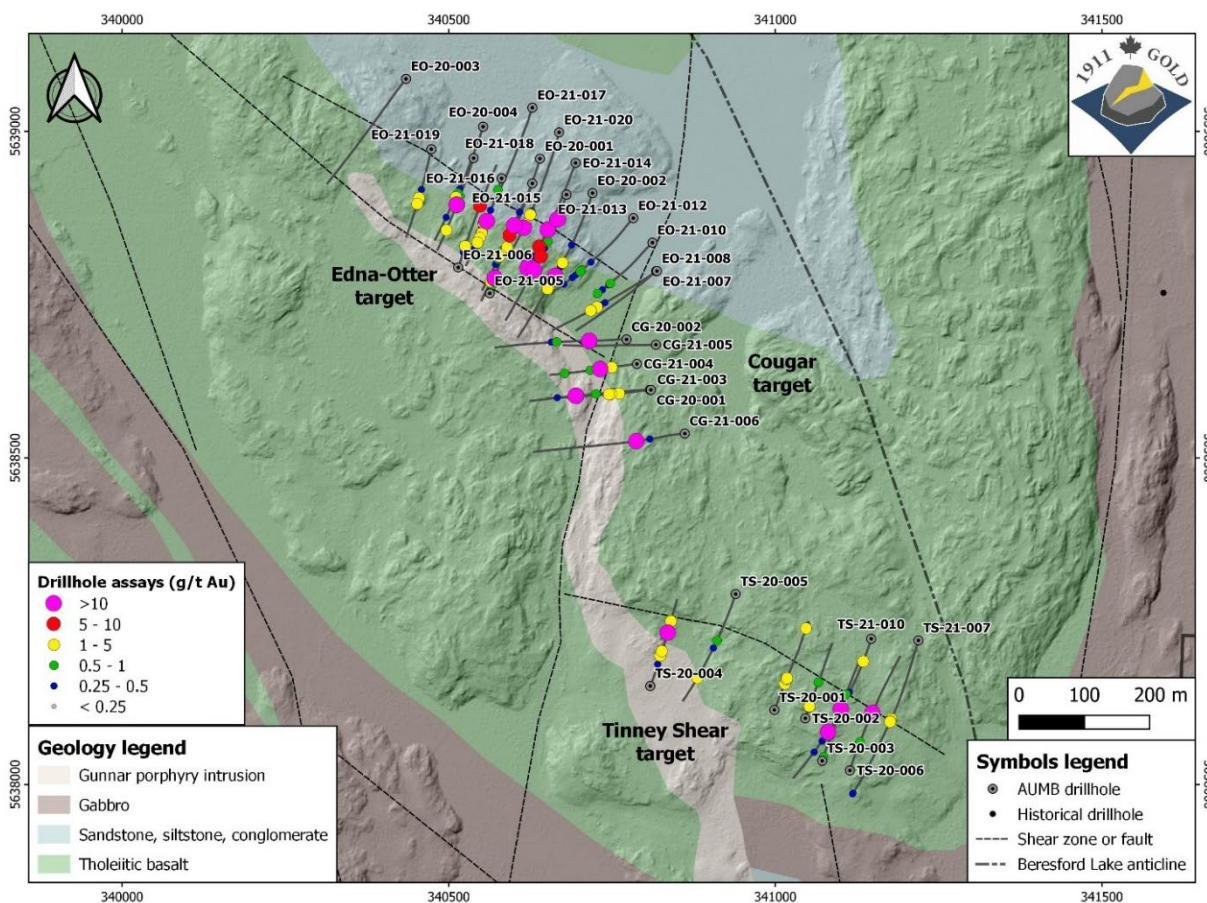
During Q2 2021, the Company continued to advance projects in its Rice Lake portfolio, as well as the Apex property in the Snow Lake district of Manitoba. The Phase II exploration drilling program, completed in mid-March of 2021, confirmed the presence of significant mineralized zones at the Tinney and Bidou projects, providing compelling targets for both infill and step-out drilling, as well as indicating new areas of potential within these emerging large-scale gold systems.

## Tinney project

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

Drilling completed to date by the Company at the Tinney project has focused on the northern extent of the Gunnar porphyry, testing the Edna-Otter, Cougar and Tinney Shear targets – areas with no record of historical drilling (**Figure 2**). Results confirm the geological model, as well as the potential analogy with the Sigma-Lamaque deposit at Val-d'Or. Specifically, the drilling results and new modeling indicate multiple zones of high-grade gold mineralization, forming a network of both steep and 'flat' vein systems centred on the porphyry intrusion, which itself is strongly altered and sheared, particularly in the Edna-Otter target area. Individual drill sections show multiple zones of high-grade shear-hosted gold mineralization, with local evidence of increasing grade and thickness with depth in the system. Future drilling will selectively target structural intersections of the modeled gold-bearing structures, and well as the projected down-plunge extents of the higher-grade mineralized zones both internal and external to the porphyry.

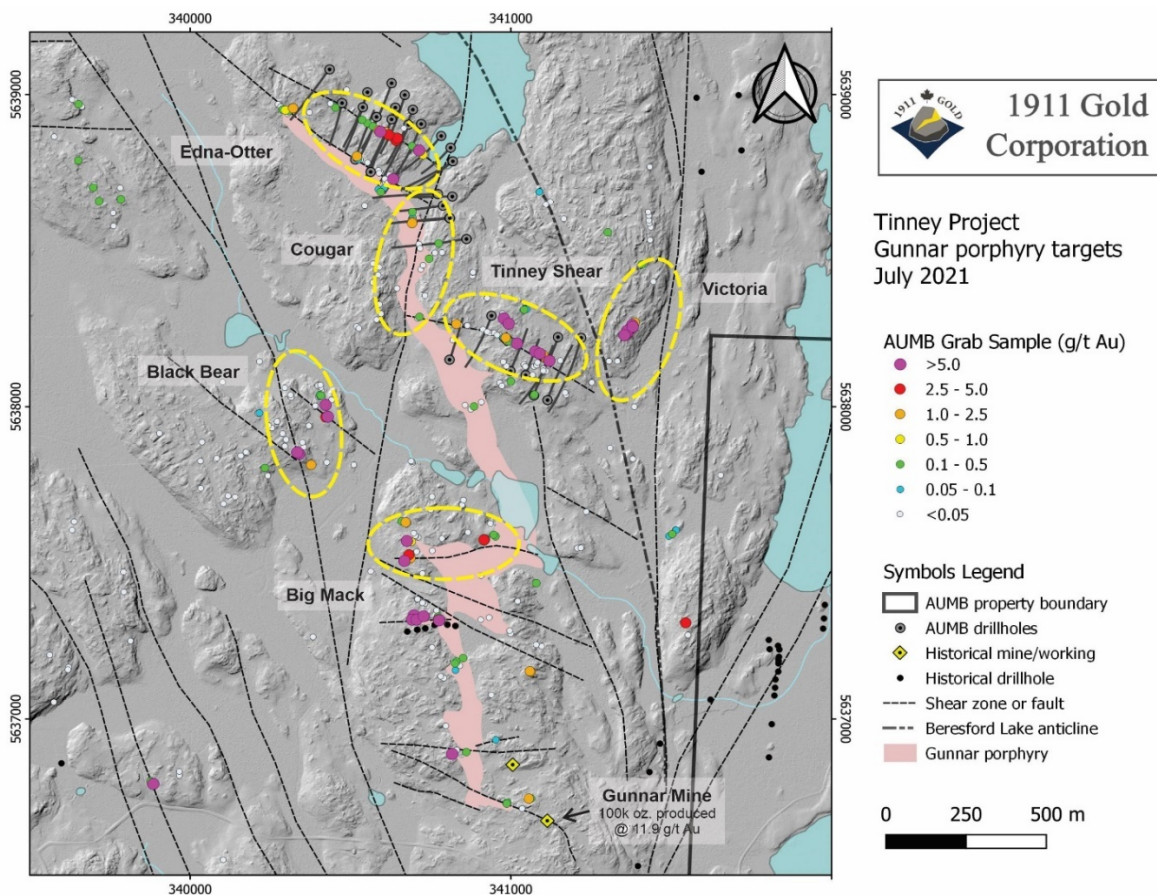
**Figure 2:** Simplified map of targets at the northern extent of the Gunnar porphyry at the Tinney project, showing drillholes completed to date by the Company and significant gold intercepts.



Fieldwork at Tinney in Q2 2021 focused on newly identified vein systems in both the hangingwall and footwall of the Gunnar porphyry, several of which have been discovered through prospecting of anomalies identified by surficial geochemistry from

the 2020 field program. Grab sample assay results range up to 145.8 g/t Au from the Black Bear showing, 91.2 g/t Au from the Victoria showing, and 36.9 g/t Au from the Big Mack showing (**Figure 3**). Adjacent areas of limited or no bedrock exposure – interpreted to represent major structures – have been prioritized for surficial geochemical surveys. Located in the core of a regional-scale fold, the Gunnar porphyry remains a very compelling exploration target and key focus of the Company's exploration program.

**Figure 3:** Simplified map of the Gunnar porphyry, showing drillhole locations from Phase I and Phase II drilling, and new targets from the 2020 and 2021 field exploration programs, currently being prioritized for mapping and surficial geochemistry, in advance of drill targeting.



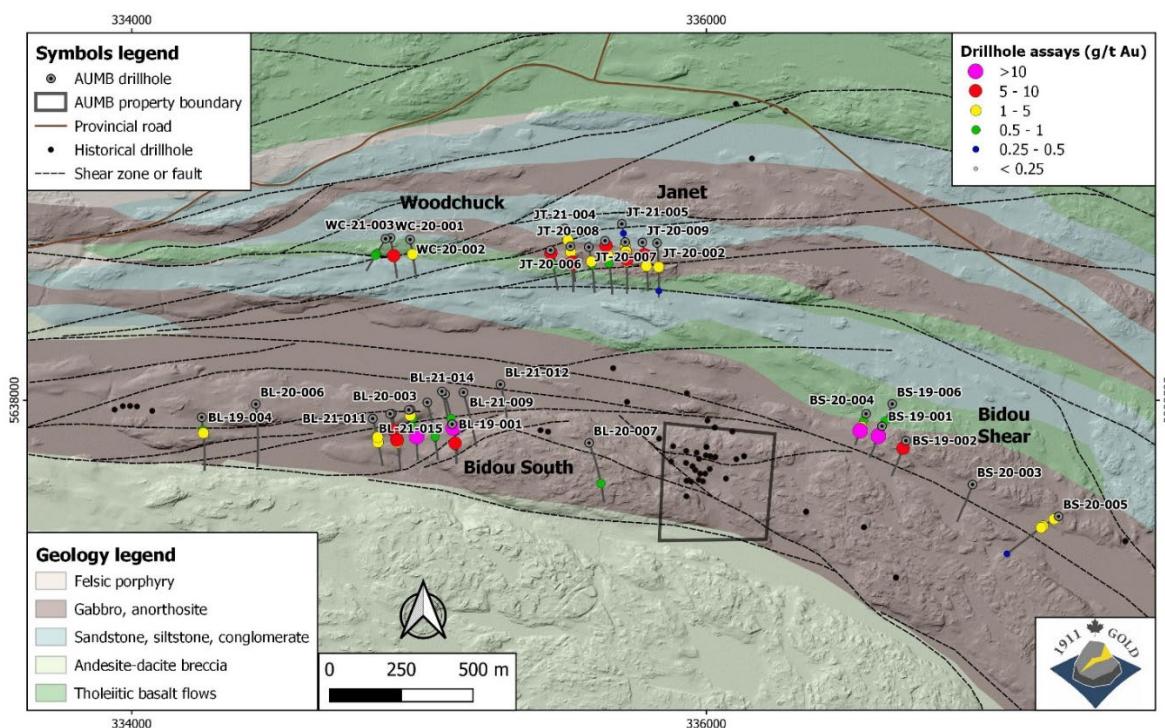
## Bidou project

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

Drilling completed to date (**Figure 4**) has tested several of the principal structures in areas with anomalous gold in outcrop or surficial sediments, particularly where such structures intersect chemically or structurally favourable rocks such as gabbro sills or porphyry dikes. Although all targets have produced gold intercepts, the most significant results, and consequently the bulk of the drilling, has been at the Bidou South target. Drilling has confirmed the presence of gold mineralization hosted by a northeast-trending shear structure where it cuts across a very thick gabbro sill. The best intercepts appear to occur

where this structure merges with a previously unrecognized structure that parallels the sill; the resulting intersection thus forms a steeply-plunging target that remains open at depth. Step-out drilling to the east along strike, from drill pads located on Bidou Lake, intersected encouraging structure, alteration and vein systems, but did not yield significant gold results.

**Figure 4:** Simplified map of drilled targets at the Bidou project, showing drillholes completed to date by the Company and significant gold intercepts. Priority areas for follow-up work are principal structures located west of Bidou South, and both east and west of the Janet and Woodchuck targets.



Emphasis going forward at Bidou South will be to test down-plunge on the higher-grade zones intersected in Phase I and Phase II drilling, as well as to delineate additional zones to the west along strike, where aeromagnetic and LiDAR data indicate similar structures exist. In conjunction with these datasets, surficial geochemistry completed in Q2-Q3 2021 will be used to generate drill targets along this highly-prospective trend, which has not previously been tested by drilling.

Infill surficial geochemistry has also been completed over the area of the Janet and Woodchuck targets, north of Bidou Lake, to identify areas of anomalous gold along the main structures. Drilling to date has consistently produced gold values on these structures and it is anticipated that the infill surface work will generate additional compelling targets along these kilometre-scale structures.

### Other Rice Lake projects

Field exploration in Q2 2021 has also been focused at the Wallace, Poundmaker, Gold Horse and Currie's Landing projects, with emphasis on expanding the mapping, prospecting and surficial geochemistry coverage into areas with newly-identified or historical gold showings along large-scale structures with potential to host significant gold deposits.

At Wallace, several historical zones of gold mineralization have been re-evaluated through outcrop stripping, detailed mapping and channel sampling in order to further constrain the distribution and controls of gold mineralization. Several targets in the northwest part of the project area are being advanced to drill-stage through this work, as well as surficial geochemistry, with results pending from additional surficial geochemistry completed in Q2 2021.





At Poundmaker, the exploration focus in Q2 2021 has mainly been in the northeast portion of the project area, along the margins of the large intrusive body that was the main focus of fieldwork in 2019 and 2020. New gold showings have been identified in areas of very poor bedrock exposure in favourable volcanic host rocks immediately adjacent to the intrusion. Aeromagnetic data indicates several major structures may converge in this area. Mapping and prospecting completed in Q2 2021, were followed up with reconnaissance-scale surficial geochemistry in early Q3 2021 to facilitate drill targeting.

Final reports, including 3D inversions, were delivered in Q2 2021 for UAV magnetic surveys completed in Q1 2021. This new data totalling 1,900 line-kilometres, was acquired over three target areas at the Bidou, Wallace and Currie's Landing projects. Also included was a survey of Rice Lake, site of the True North mine complex, providing for the first time a seamless magnetic survey of the principal host rocks to the True North deposit, including the 'Shoreline' basalt and 'SAM' gabbro units, at unprecedented resolution. Flown by EarthEx Geophysical Solutions Inc. at 25 metres line-spacing and average above-ground-level heights ranging from six to 30 metres, these surveys provide extremely high-resolution imagery to enhance magnetic mapping, identify potential gold-hosting structures, and inform drill targeting.

### Timmins properties

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

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

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

In part due to the COVID-19 pandemic, the Company delayed exploration activities on both properties in the Timmins district and has been granted an Exclusion of Time for assessment work in 2021 under Ontario's relief plan relating to COVID-19. In the interim, the Company is evaluating alternative options to advance these project areas, including entering into option agreements or a possible sale to interested parties.

### 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 gold mineralization are apparent: steep shear veins and flat lying disseminated zones associated with sulphide minerals.

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.

In Q1 2021 the Company expanded the Apex property from 752 to 2,200 hectares by ground staking to cover a major geological/structural contact and completed line cutting and a 17 line-kilometre IP geophysical survey over the most prospective structural trends on the property to evaluate the potential for both steep and flat zones of gold mineralization. The survey was completed by Abitibi Geophysics using the OreVision® IP system, with final deliverables, including 3D inversions, received in Q2 2021. Importantly, the survey reveals both steep and flat chargeability anomalies at depth and near-surface, including in areas of known gold mineralization at surface, thus increasing confidence in the capability of this IP system to detect mineralized zones. Several of these anomalies represent excellent targets and the Company is planning to mobilize field crews in Q3 2021 to continue to advance this project towards Phase I exploration drilling.

## REVIEW OF FINANCIAL RESULTS

During the six months ended June 30, 2021, the Company incurred a loss of \$5.2 million compared to a loss of \$6.4 million in 2020, primarily due to an increase in revenues of \$1.5 million from the sale of 568 ounces contained in ending inventory from 2020, the gain on marketable securities held of \$1.4 million, and dividend income received of \$1.5 million. These were offset by an increase in exploration expense of \$1.7 million due to the significant increase in drilling activity, with a total of 12,892 metres drilled in Q1 2021 compared with 5,499 during the same period in 2020, as well as an increase in production costs (\$1.5 million) due to the earlier start up of tailings operations as well as the recognition of \$1.1 million in costs contained in the 2020 ending gold inventory sold during 2021.

### Revenue

During the six months ended June 30, 2021, the Company sold 568 ounces from remaining 2020 gold inventory held at Asahi Refining Canada (“Asahi”) at an average realized price of \$2,418 per ounce for total proceeds of \$1.4 million. An additional 170 ounces were sold from 2021 production during June, at an average price of \$2,247 per ounce. There were no comparable sales in Q2 2020 as the Company did not have inventory on hand to sell and tailings production did not commence until mid-May of 2020.

### Cost of sales

Cost of sales includes periods where the mill is on seasonal care and maintenance and, in years prior to 2020, the cost of maintaining the underground mine. For the six months ended June 30, 2021, the Company incurred \$5.8 million in operating costs, including \$0.9 million of depreciation and depletion, compared with \$4.6 million (including \$1.2 million of depreciation and depletion) during the six months ended June 30, 2020. The increase arises from the recognition of \$1.1 million in costs contained in the ending gold inventory as at December 31, 2020, recorded in connection with the sale of 568 ounces in January and April 2021, as well as increased costs related to the earlier start up of tailings operations in 2021. This was offset by the \$0.3 million decrease in depreciation and depletion costs arising from the reduced asset base amortized during the first six months of 2021.

### General and administrative costs

General and administrative costs of \$1.1 million for the six months ended June 30, 2021 were \$0.2 million higher than the comparable period in 2020, with the increase arising primarily from a significant increase in marketing and investor relations activities during the first six months of 2021.



### Other expenses

#### *Flow through premium recovery*

During the six months ended June 30, 2021, the Company incurred \$3.2 million in qualifying Canadian exploration expenses, satisfying the remaining spending commitment related to the July 14, 2020 private placement. The Company recognized a flow-through premium recovery of \$0.6 million related to the qualifying Canadian exploration expenses (the six months ended June 30, 2020 - \$0.6 million related to the March 5, 2019 private placement).

#### *Other income (expense)*

On April 21, 2021, 55 North Mining Inc. (“55 North”) declared a cash dividend to shareholders of record, distributing funds received from the sale of the Edelstein property which occurred early in Q1 2021. The Company holds 17,682,418 shares of 55 North and hence received a total dividend payment of \$1.5 million.

#### *Gain on marketable securities*

On April 20, 2021, 55 North commenced trading on the Canadian Securities Exchange (“CSE”). The Company previously held the investment in 55 North a nil value due to the lack of a tradeable exchange for the shares or a possible buyer. With the listing on the CSE, the Company recognized the marketable securities held at their opening value of \$0.22 per share (\$3.9 million) and, on June 30, 2021, adjusted the carrying value to \$1.4 million based on a mark-to-market adjustment of \$2.5 million.

## QUARTERLY RESULTS

The following selected financial information is a summary of the eight most recently completed quarters up to June 30, 2021.

Quarter Ended (\$ amounts in '000's)	Jun 31, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019
Gold sold (ounces)	238	500	2,140	2,035	–	–	2,711	3,133
Revenues	\$ 560	\$ 1,225	\$ 5,277	\$ 5,219	\$ 272	\$ –	\$ 5,320	\$ 6,181
Comprehensive (loss) income	\$ (129)	\$ (5,055)	\$ (215)	\$ 526	\$ (2,532)	\$ (3,880)	\$ (1,180)	\$ 1,230

During the five months of tailings operations in 2019 True North processed 201,517 tonnes and shipped 5,653 ounces of gold. A total of 6,277 ounces of gold were sold, including 564 ounces of gold recovered from the cleanout earlier in the year, generating proceeds of \$12.2 million. The first field exploration season at Rice Lake commenced in late April of 2019, focusing on the target areas identified from geophysical data sets, structural mapping and data compilation, and completed in early September. In Q4 2019 the Company commenced the Phase I drill program, focusing on two key project areas, Bidou and Tinney, both located within the Central Manitoba property, approximately 30 km southeast of Bissett.

During the first four months of 2020 the Company operated the mill at care and maintenance levels, 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. The Company also completed the Phase I drilling program, testing a total of seven targets with 28 drill holes (8,086 metres). 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, with the 2020 field exploration season commencing on May 1, 2020 and the tailings re-processing season commencing on May 21, 2020. In Q4 2020 the Company commenced the Phase II drill program, initially focusing on accessible areas in the Bidou project area, completing 4,264 metres of drilling before the end of Q4 2020.



The Company continued the seasonal shutdown during Q1 2021, with preparatory work continuing during the month of January on planned 2021 working areas on the tailings impoundment, primarily trenching to allow for better drainage and stockpiling of material for use at the start of the tailings production season. With milder winter conditions in March, preparations commenced early for the restart of tailings, with personnel and equipment returning early in April. Operations processed 78,798 tonnes during the 71 operating days in Q2 2021, producing 1,417 ounces of gold during the period. The Company completed the Phase II drill program in mid-March of 2021, drilling another 12,892 metres over 5 project areas, focusing primarily on the Edna-Otter and Cougar targets along the northern portion of the Gunnar porphyry in the Tinney project area. The 2021 field exploration program commenced in May as well, focusing on priority areas at the Tinney project but also following up at the Bidou project and a number of other target areas within the Rice Lake property.

## LIQUIDITY AND CAPITAL RESOURCES

(\$ amounts in '000's)	June 31 2021	December 31 2020
Cash	\$ 2,993	\$ 10,029
Total current assets	7,561	13,320
Total assets	41,412	47,621
Total current liabilities	1,752	3,150
Total liabilities	4,645	5,969
Total equity	36,767	41,652

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, the amount of exploration planned, future development programs, the ability to obtain equity or other sources of financing, and the price of gold. The Company is currently focused on a district scale exploration program on the Rice Lake properties expected to identify additional resources to provide future sources of ore feed for the True North milling facility. The Company is also generating cashflow through the recovery of gold from historical tailings, with the proceeds from gold sales funding the cost of ongoing facilities and equipment maintenance, as well as the Company's general and administrative expenses. Tailings re-processing operations are seasonal, running primarily from April to November, and production ranges between 200,000 and 240,000 tonnes during that period. The average grade will gradually decline over the next several years of production as the Company continues to prioritize the higher-grade sections earlier.

The Company continued the seasonal shutdown of tailings operations until April 20, 2021, spending \$2.5 million to support maintenance and overhead costs, excluding the recognition of costs related to the gold inventories sold during the period. During the six months ended June 30, 2021, the Company focused on completing the Phase II drilling program, including 12,247 metres of follow up drilling at Tinney and Bidou as well as 4,779 metres of first pass drilling at new target areas. The Company also completed a new high-resolution UAV aerial magnetic survey, totalling 1,900-line kilometres, and commenced the 2021 field program in late April, focusing on priority areas at Tinney, Bidou, as well as Wallace to the north of the Central Manitoba property. Exploration expense of \$3.6 million was funded primarily from the July 2020 flow-through financing, with the \$0.4 million funded from working capital and operations. With the commencement of tailings operations, the Company will generate positive cashflow from gold sales, covering the current level of exploration activity as well as overhead costs.

As at June 30, 2021, the Company had cash and cash equivalents of \$3.0 million (December 31, 2020 – \$10.0 million) and working capital of \$5.8 million (December 31, 2020 – \$10.2 million). Cash utilized in operating activities during the six months ended June 30, 2021 was \$6.9 million, including changes in working capital (June 30, 2020 - \$6.8 million). Cash used in investing activities during the six months ended June 30, 2021, 2021 was \$0.2 million (March 31, 2020 – \$0.1 million), mainly for purchases of equipment and installation of fire suppression upgrades.



Management considers the Company's liquidity position at June 30, 2021, 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 for the next 12 months.

### Outstanding Share Data

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options	Warrants
Outstanding as at August 17, 2021	46,965,726	3,981,668	2,815,233

## 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 June 30, 2021, the Company had working capital (current assets less current liabilities) of \$5,809. 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 foreign currency gains and losses primarily relate US dollar transactions with vendors.

### Commodity Price Risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the gold it produces. As of June 30, 2021, 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 June 30, 2021 (in thousands):

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Reclamation obligation	-	-	-	\$ 7,449	\$ 7,449

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 six months ended June 30, 2021 and 2020, 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 for the six months ended June 30, 2021, with the exception of \$99,000 of salaries and wages that was included in exploration expense (2020 - \$95,000).

(\$ amounts in '000's)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Salaries and wages	\$ 239	\$ 166	\$ 618	\$ 477
Professional fees	5	–	10	–
Directors' fees	39	46	78	92
Share-based payments	19	25	41	56
<b>TOTAL</b>	<b>\$ 302</b>	<b>\$ 237</b>	<b>\$ 747</b>	<b>\$ 625</b>

## OUTLOOK

The Company will continue to take a systematic, multi-disciplinary approach to advance its exploration properties in Manitoba and Ontario. The methodology employed at the Rice Lake properties has proven to be highly successful in identifying compelling drill targets with potential for significant discovery. Significant gold intercepts encountered in the Bidou and Tinney target areas during the Phase II drilling program provide further evidence of a major gold system in these areas, and have been incorporated into the model to further refine and prioritize targets. Ongoing exploration continues to generate new gold showings as well as an improved understanding of historical showings, with several new targets being aggressively advanced to drill-stage in the Tinney, Bidou, Wallace, Poundmaker and Currie's Landing project areas.

Near-term, the Company will continue to focus on the priority target areas within the Rice Lake exploration property. With the Phase II drilling program completed and the field exploration program ongoing, focus will shift in Q3 2021 to drill target definition and planning for the Phase III drilling program. Work permit applications have been secured for targets at the Tinney and Wallace projects, with permits pending for drill programs in the Currie's Landing, Poundmaker and Bidou project areas. The exploration focus remains on quickly identifying one or more potential resources in these areas that can be advanced to development on a shortened timeframe to provide one or more additional sources of ore for the Company's milling operations.

The 2021 tailings re-processing operations commenced on April 19, 2021 – an early restart to the operations due to favourable weather conditions and advance preparations undertaken at the end of the previous year's tailings season. The Company expects to process between 200,000 and 240,000 tonnes in 2021, at an average grade of 0.7 g/t, producing approximately 4,500 ounces for the year, comparable to 2020. The Company will be evaluating equipment for pre-screening and de-watering material at the tailings impoundment area, which, if shown to be successful, will significantly increase the tonnes processed in 2021 as well as corresponding ounces produced.



## 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, 2020 as well as in Note 13 of the Company's audited consolidated financial statements for the year ended December 31, 2020, as filed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## 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.