



# **1911 Gold Corporation**

**Management Discussion and Analysis  
For the three months ended March 31, 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 three months ended March 31, 2020. The MD&A was prepared as of May 27, 2020 and should be read in conjunction with the unaudited condensed interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019, the annual audited Consolidated Financial Statements for the years 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 March 31, 2020 and 2019 are abbreviated as Q1 2020 and Q1 2019, respectively.

The Company was incorporated on May 3, 2018 in connection with the arrangement agreement (“Arrangement Agreement”) between Klondex Mines Ltd. (“Klondex”), Hecla Mining Company (“Hecla”), and 1156291 B.C. Unlimited Liability Company, a wholly owned subsidiary of Hecla to hold Klondex’s former Canadian assets comprised of Klondex Canada Ltd. (subsequently renamed to 1911 Gold Canada Ltd., (“1911 Gold Canada”)) and Bison Gold Resources Inc. (“Bison”). Under the terms of the Arrangement Agreement, which closed on July 20, 2018, Hecla acquired all the outstanding common shares of Klondex and holders of common shares of Klondex (“Klondex Shareholders”) received consideration consisting of either cash, Hecla common stock, or a combination of cash and Hecla common stock, plus shares of 1911 Gold. On July 4, 2019, the Company amalgamated its 100% owned subsidiary, Bison Gold Resources Inc. into its other 100% owned subsidiary, 1911 Gold Canada Corporation. 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 OTCBB under the stock symbol “HAVXF”. Additional information related to the Company is available for view 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 gold producer and explorer that owns the True North mine and mill complex at Bissett, Manitoba, and is currently reprocessing historic tailings on a seasonal basis. In addition to operating True North, 1911 Gold holds highly prospective mineral dispositions, totaling approximately 54,000 hectares, within and adjacent to the Rice Lake greenstone belt. 1911 Gold believes its land package offers a prime exploration opportunity, with potential to develop a mining district centered on its True North facility. The Company also owns the Apex property near Snow Lake, Manitoba and the Denton-Keefer and Tully properties near Timmins, Ontario. 1911 Gold intends to focus on both organic growth opportunities and accretive acquisition opportunities in North America.

## HIGHLIGHTS

- On January 30, 2020, the Company released assay results for the initial 10 drillholes (totaling 2,586 metres) from the Phase 1 exploration drilling program, with the following highlights from the Bidou project:
  - Drillhole BS-19-001 intersected a shear vein system over a 16.2 metre core length at the previously untested Bidou Shear target, yielding multiple anomalous gold assays, highlighted by a visible gold intercept that returned 9.40 g/t Au over 0.7 metres;
  - Drillhole BS-19-002, collared at the Bidou Shear target 100 metres along strike to the east of BS-19-001, intersected multiple zones of gold mineralization, highlighted by a shear vein that yielded 2.64 g/t Au over 2.5 metres (including 9.98 g/t Au over 0.6 metres);
  - Drillhole BL-19-001 intersected several zones of gold mineralization at the previously untested Bidou South target, including 3.72 g/t Au over 0.6 metres and 3.47 g/t Au over 1.0 metres;
- On April 30, 2020, the Company released assay results for an additional 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 2,539 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, confirming the continuity of this structure;
    - 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.
  - During March 2020, in response to the increased risk of outbreak from novel coronavirus (COVID-19) within Manitoba and the rest of the world, the Company implemented plans to protect both the 1911 Gold employees as well as the communities the Company operates in. These steps initially included programs to increase sanitation of touch surfaces and allow for adequate social distancing, followed by a full reduction of personnel at the True North site to minimum care and maintenance levels as well as requiring all corporate and non-essential personnel to work from home. On May 6, 2020, based on recent progress in the Province of Manitoba and a significant reduction in the outbreak, the Company initiated plans for a staged return of personnel to site to allow for the implementation of the enhanced safety and sanitation procedures for the mitigation of risk from COVID-19.

## FINANCIAL AND OPERATING SUMMARY

Three Months Ended March 31	2020		2019	
<b>Financial Results (in thousands)</b>				
Revenue	\$	–	\$	110
Cost of sales:				
Production costs		1,873		2,380
Depreciation and depletion		705		866
Write-down of production inventories		–		16
Total Cost of Sales		2,578		3,262
General and Administrative Costs		469		367
Exploration expense		1,278		535
Other (income) expenses		(445)		(27)
Net Loss and Comprehensive loss	\$	(3,880)	\$	(4,027)
<b>Operating Results</b>				
Gold ounces sold		–		63
Average realized price	\$	–	\$	1,750
<b>Per Share Data</b>				
Basic and diluted loss per share	\$	(0.10)	\$	(0.13)
Weighted average common shares outstanding		38,123,338		31,498,589
<b>Balance as of</b>		<b>March 31</b>		<b>December 31</b>
		<b>2020</b>		<b>2019</b>
<b>Financial Position (in thousands)</b>				
Cash and cash equivalents	\$	6,016	\$	9,630
Total assets		44,413		48,381
Total liabilities		4,702		4,822
Shareholder equity		39,711		43,559

## REPORT ON OPERATIONS

For Q1 2020 and the comparable quarter in 2019, the True North mill operations operated at care and maintenance levels as the seasonal shutdown of tailings re-processing continued. During these quarters the Company carried out annual scheduled maintenance on the mill, including the replacement of liners on the fine ore bin, replacement of tailings discharge pumps, and refurbishment of field equipment, in preparation for the 2020 operating season. Prior to the reduction of onsite contractors and personnel in mid-March, the Company also completed the cleanout of certain areas of the mill, resulting in the shipment of 194 ounces of gold, the proceeds from which were received in late April of 2020. During the previous year in Q1 2019 the Company carried out a full cleanout of the mill as well, recovering 470 ounces from cleanup material.

## EXPLORATION PROPERTIES AND ACTIVITY

The Company holds strategic exploration properties in Manitoba and Ontario, Canada, in Tier I mining districts with proven potential for world-class gold deposits, and is focused on advancing these assets to create long-term value for our shareholders. These assets present a significant value proposition to 1911 Gold's shareholders, with exposure to upside exploration potential in several of Canada's premier mineral districts, along with modern processing capability and historical resources at the Company's flagship True North asset in Manitoba.

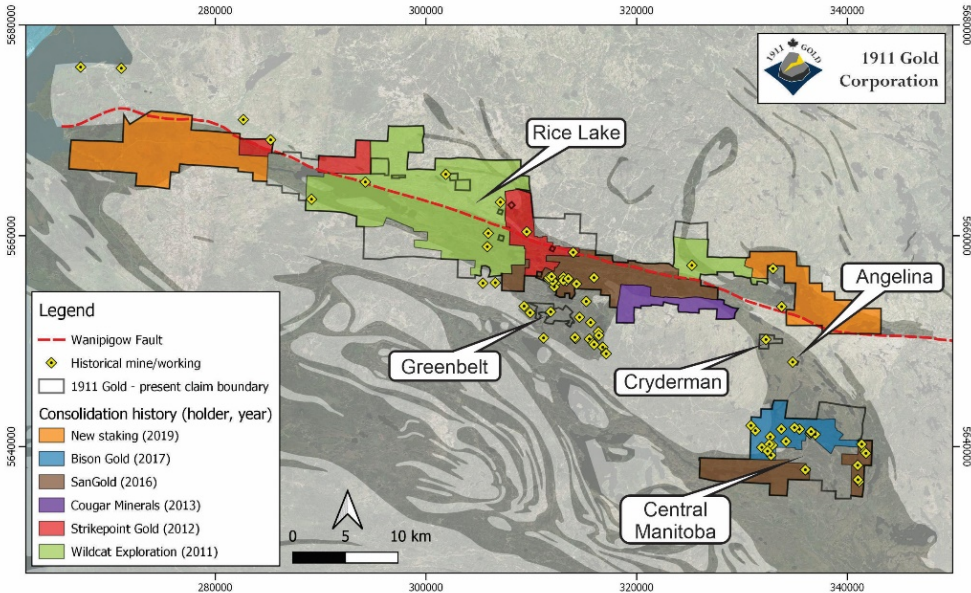
During 2019 and 2020, the Company has undertaken exploration at three target areas in the Rice Lake district (Rice Lake, Central Manitoba and Cryderman) and one property in the Snow Lake district (Apex), and is actively collecting, compiling and evaluating information for all properties in the Company's portfolio.

### Rice Lake Properties

The Rice Lake exploration properties, totaling 53,804 hectares, cover the most prospective portions of the Rice Lake greenstone belt, the eastern extension of which includes the Red Lake gold district approximately 100 kilometres to the east in Ontario, one of the largest and highest-grade gold districts in Canada, with more than 30 million ounces of gold production. 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 now holds a consolidated land position (Figure 1) – the largest ever assembled in the belt – providing an unprecedented opportunity to evaluate this under-explored district at belt-scale, utilizing modern exploration methods.

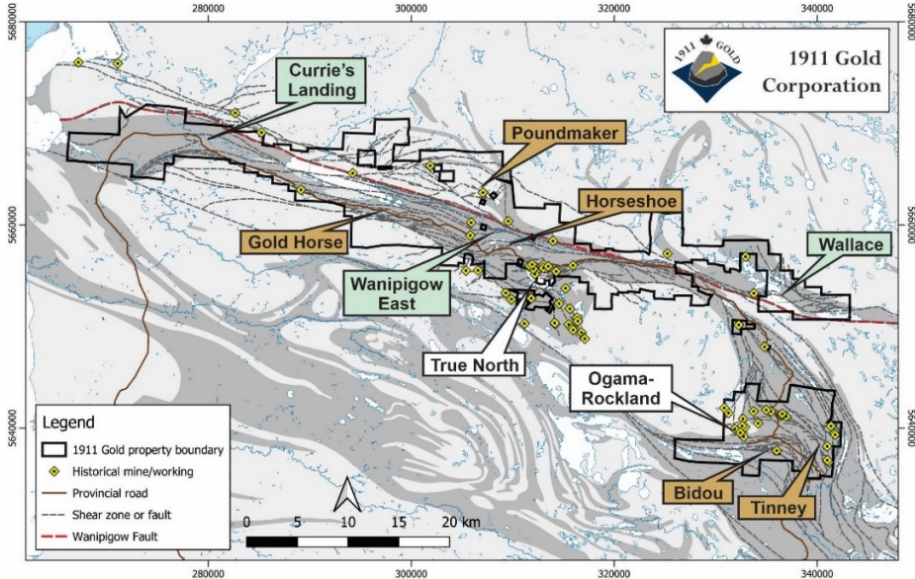
**Figure 1: Rice Lake land position, exploration properties and consolidation history.**



*Exploration Program*

In 2019, the Company initiated its maiden exploration program on its 100% owned mineral dispositions in the Rice Lake greenstone belt. The program began with the acquisition, by ground staking, of 11,382 hectares of highly-prospective ground in underexplored portions of the Rice Lake belt, bringing the land position to 53,804 hectares. This provides the Company with a dominant position along and adjacent to the crustal-scale Wanipigow Fault, over a total strike length of 80 kilometres. New high-resolution aeromagnetic and LiDAR data, covering roughly 21,500 and 13,400 hectares respectively, were then acquired over the new claim blocks. The data was merged with compiled and leveled historical datasets to provide near-seamless coverage of the belt. Fieldwork was initiated in late April 2019 on areas with robust datasets and clearly identified exploration potential, including the Bidou and Tinney projects, located approximately 30 km southeast of Bissett, and the Gold Horse, Poundmaker and Horseshoe projects, located immediately northwest of Bissett (Figure 2). 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 2: 2019 (brown) and 2020 (green) exploration projects, in relation to gold deposits (white).**





Initial reconnaissance sampling yielded high-grade gold assays from quartz-carbonate vein systems associated with brittle-ductile shear zones in four project areas. At the Tinney and Bidou projects, gold bearing quartz veins were found to occur in shears on the margins of porphyry dikes and gabbro sills that intrude chemically-favourable basalt flows in the hinge and southern limb of a regional-scale structural dome referred to as the Beresford Lake anticline. High-grade values were obtained from concordant shears in the limb of the fold and discordant shears in the hinge, and were traced in outcrop up to 800 m along strike. Highlights from grab and chip sampling included 70.4 g/t Au, 22.9 g/t Au and 13.1 g/t Au from concordant zones on the limb of the fold, and 114.2 g/t Au and 40.2 g/t Au from discordant structures in the hinge.

At the Poundmaker project, gold bearing quartz veins are hosted by northwest and northeast-trending shears controlled by mafic dikes in a tonalite pluton. The principal shear, which extends more than 2.5 km along strike in a northwesterly direction, returned high-grade gold values up to 104.8 g/t Au from grab samples of quartz-sulphide veins, most notably where the shear expands to 20 m in thickness. In addition, high-grade gold values were obtained from shear-hosted veins at the historical Eleanor showing in the Gold Horse project area, including 18.7 g/t Au and 16.4 g/t Au.

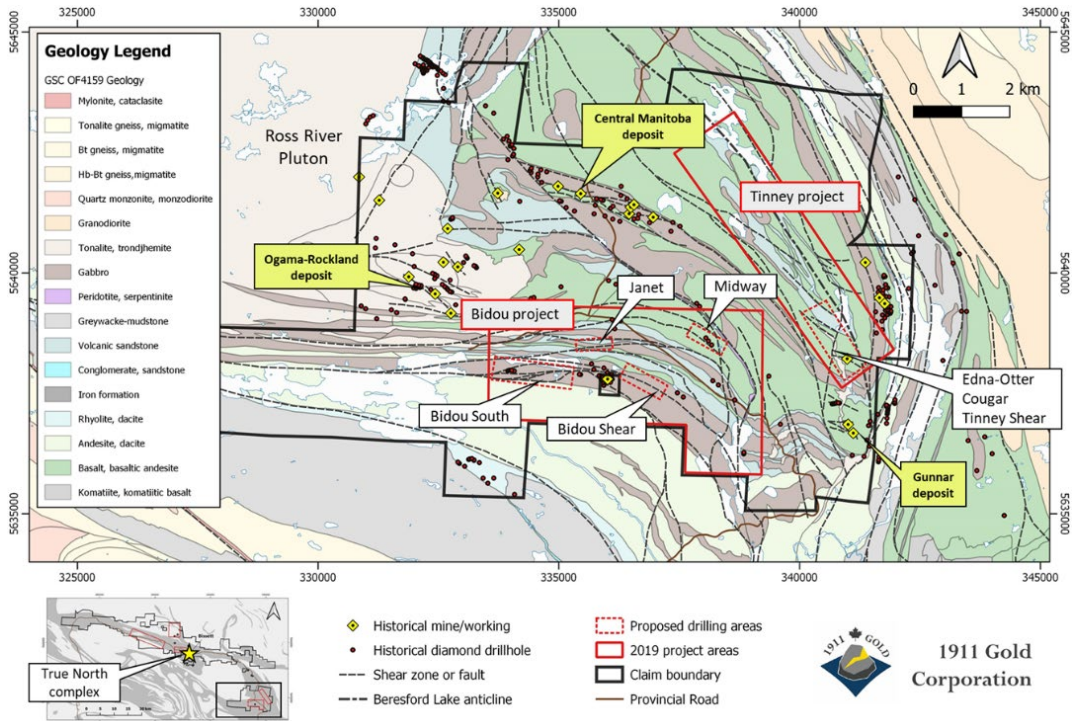
The focused, systematic fieldwork completed in 2019 identified several kilometre-scale targets characterized by anomalous gold in rocks and surficial sediments, and possessing structural and stratigraphic complexities typical of world-class gold deposits in other Archean gold districts. Each target shows 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 advanced to drill targeting. The preliminary plan for the Phase I exploration drill program called for 8,000 to 10,000 metres of drilling, in 30 to 40 drillholes, commencing in November 2019. Final drill permits were received in October 2019, following consultations with local First Nations and a comprehensive Heritage Resource Impact Assessment conducted by a third-party under contract to the Company. 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 program; results from the Bidou and Tinney projects are presented below.

*2019-2020 Phase I Drill Program Results*

In Q4 2019 - Q1 2020, the Company successfully completed the Phase I exploration drilling program, during which seven separate targets were tested in the Bidou and Tinney project areas (Figure 3). The program consisted of 28 diamond drillholes (NQ), for a total of 8,086 metres, completed between November 7, 2019 and March 22, 2020.

**Figure 3: Location map of drill targets (white callouts), Bidou and Tinney project areas.**



## Tinney Project

The Tinney project area is underlain by tholeiitic basalt flows, gabbro sills and siliceous sedimentary units that are intruded by felsic porphyry intrusions and occupy the hinge of the regional-scale Beresford Lake anticline, which is partially dismembered by faults and shears (Figure 3). The largest felsic intrusion, the Gunnar porphyry, cuts discordantly across stratigraphy for 2.5 kilometres along strike, providing the competency contrasts and strength anisotropy necessary to facilitate structural preparation and vein emplacement; 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. The overall stratigraphy and structure of the Tinney project area are analogous to the 60 million ounce Kalgoorlie Gold Field of the Archean Yilgarn craton in Western Australia.

The Company spent \$522,415 on drill testing three targets, Tinney Shear, Cougar and Edna-Otter, spatially associated with the Gunnar porphyry, near the hinge of the Beresford Lake anticline (Figure 3). Shear and stockwork vein systems returned high-grade values up to 114.2 g/t Au from surface grab samples, over an area approximately 1 square kilometre in size; for comparison purposes, the footprint of the True North deposit, including the Cohiba, Hinge and 007 deposits, is roughly 1.4 square kilometres.

Highlighted drill intercepts from the Tinney project area are listed in Table 1. Based on the results of the 2019-2020 Phase I drilling program, each of these targets merits follow up drilling.

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

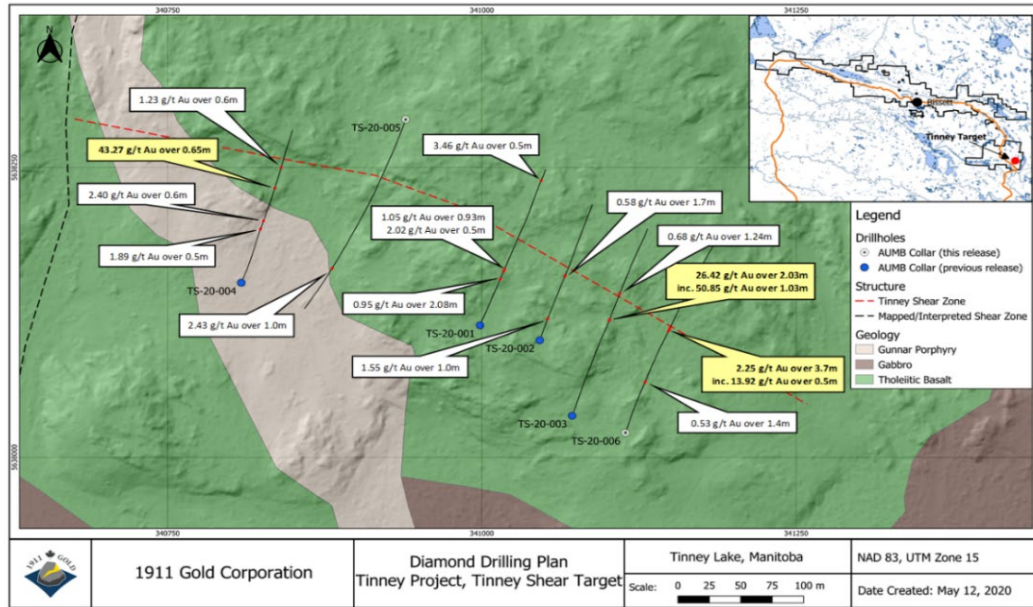
Target	Hole ID <sup>(1)</sup>	Easting (NAD83, UTMZ15N)	Northing	Length (m)	Az. (deg.)	Incl. (deg.)	From (m)	To (m)	Length <sup>(2)</sup> (m)	Gold <sup>(3)</sup> (g/t)						
Tinney Shear	TS-20-001	340999	5638114	326	20	-65	98.66	100.74	2.08	0.95						
							115.92	116.85	0.93	1.05						
							120.60	121.10	0.50	2.02						
							304.00	304.50	0.50	3.46						
							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					
	TS-20-005	340939	5638291	305	200	-55	<i>inc.</i>	238.00	239.00	1.00	2.43					
								160.20	163.90	3.70	2.25					
TS-20-006	341114	5638021	320	200	-55	<i>inc.</i>	160.90	161.40	0.50	13.92						
							184.30	184.90	0.60	1.23						
Cougar	CG-20-001	340808	5638604	281	270	-50	174.70	177.25	2.55	9.29						
							<i>inc.</i>	174.70	175.75	1.05	18.80					
							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					
							<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-20-002	340720	5638905	395	200	-55	188.60	189.50	0.90	1.15
													225.30	229.25	3.95	4.29
													<i>inc.</i>	225.30	227.85	2.55
	<i>and.</i>	225.30	225.80	0.50	28.29											
	254.50	255.65	1.15	1.71												
	261.40	261.90	0.50	1.34												
	EO-20-004	340553	5639007	344	200	-60	217.00	217.60	0.60	2.37						

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

### Tinney Shear Target

The Tinney Shear target consists of a brittle-ductile shear zone that has been traced on surface over 500 m along strike and extends eastward from the Gunnar porphyry into the hinge of the Beresford Lake anticline (Figure 4). Six drill holes, totaling 1,707 m (TS-20-001 to 006), were completed to test a 350 m segment of this shear, yielding multiple zones of gold mineralization associated with brittle-ductile structures, quartz-carbonate vein systems and local silica-flooding.

**Figure 4: Tinney Shear target, Tinney project.**



Drillhole TS-20-003 returned the most significant intercept, yielding 26.42 g/t Au over 2.03 m (including 50.85 g/t Au over 1.03 m) from 157.0 to 159.03 m downhole. The zone consists of a shear vein with local visible gold, hosted by intensely sheared tholeiitic basalt.

Drillhole TS-20-004, located 290 m along strike to the west-northwest along the same structure returned several widely spaced zones of gold mineralization, highlighted by 43.27 g/t Au over 0.65 m (151.65 to 152.30 m downhole), from a shear vein containing visible gold. Significantly, this intercept is hosted by the Gunnar porphyry, indicating that the Tinney shear intersects this intrusion at depth. Drillhole TS-20-005, completed as a follow up to drill hole TS-20-004, was designed to test the predicted line of intersection between the Tinney Shear and Gunnar porphyry, approximately 85 m southeast of the high-grade intercept from TS-20-004. Multiple narrow zones containing strongly anomalous gold values were intersected by drillhole TS-20-005, highlighted by 2.43 g/t Au over 1.0 m from 238 to 239 m downhole, associated with diffuse arrays of quartz-tourmaline veins in deformed and altered felsic porphyry near its footwall contact.

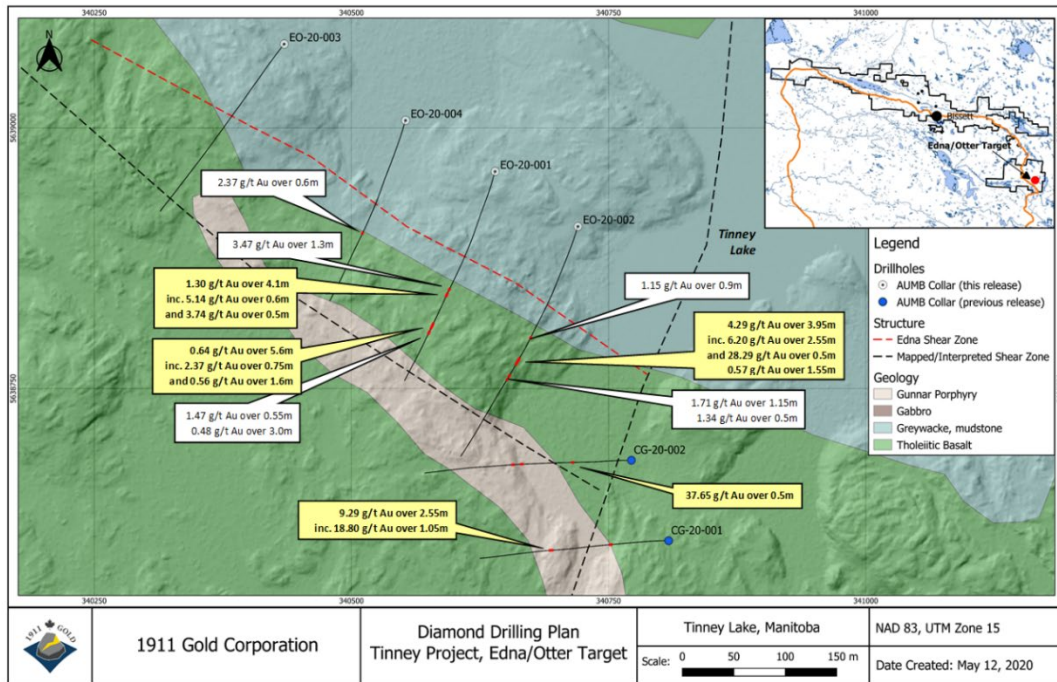
Drillhole TS-20-006 was collared 50 m along strike to the east-southeast of TS-20-003 to test the strike continuity of the Tinney Shear. This drillhole returned 2.25 g/t Au over 3.7 m from 160.2 to 163.9 m downhole, including a high-grade interval of 13.92 g/t Au over 0.5 m from 160.9 to 161.4 m downhole, consisting of a laminated shear vein hosted by intensely sheared and altered (chlorite-ankerite) tholeiitic basalt. Drillhole TS-20-006 confirms the continuity of the Tinney Shear, which remains open to the southeast along strike towards the hinge of the Beresford Lake anticline.

### Cougar Target

The Cougar target coincides with a north-trending inflection in the Gunnar porphyry thought to result from offset along a series of steeply east-dipping brittle-ductile shear zones, which are exposed in historical prospect pits. Two drillholes, totaling 589 m, were completed to test these structures in the northern portion of the inflection (Figure 5).



**Figure 5: Cougar and Edna-Otter targets, Tinney project.**



Drillhole CG-20-001 returned 0.68 g/t Au over 1.5 m from 86.0 to 87.5 m downhole and 9.29 g/t Au over 2.55 m from 174.7 to 177.25 m downhole (including 18.80 g/t Au over 1.05 m). These intercepts occur immediately adjacent to the upper and lower contacts of the Gunnar porphyry, which is strongly sheared, altered (quartz-sericite-pyrite) and quartz-veined throughout this interval. Drillhole CG-20-002, collared 85 m north-northwest of CG-20-001, returned 37.65 g/t Au over 0.5 m from 88.15 to 88.65 m downhole, from a laminated shear vein hosted by strongly sheared basalt approximately 30 m above the Gunnar porphyry, which is likewise strongly sheared, altered and veined throughout. Analysis of structural data obtained from oriented drillcore is ongoing and will be utilized to constrain the orientation of these structures and the porphyry at depth, and potential plunge directions of mineralization.

### Edna-Otter Target

The Edna-Otter target coincides with the previously-untested northwest extension of the Gunnar porphyry (Figure 5). This target includes the Edna Shear, which trends roughly parallel to the porphyry and has been traced along strike for over 500 m, as well as the Otter zone – a complex system of shear and stockwork quartz veins hosted by the porphyry. Four drillholes (EO-20-001 to 004), totaling 1,430 m, were completed to test a 350 m section of this target. The most significant values were obtained from drillholes EO-20-001 and EO-20-002, which tested the southeast portion of the target in proximity to the discordant structure that corresponds to the Cougar target (Figure 5). Given their significant width and grade, the structures intersected in first-pass drilling of the Edna-Otter target clearly warrant additional drilling, most notably in the untested area beneath Tinney Lake, where the Edna-Otter and Cougar structures are interpreted to intersect.

Drillhole EO-20-002 returned 4.29 g/t Au over 3.95 m from 225.3 to 229.25 m downhole, including 6.2 g/t Au over 2.55 m from 225.3 to 227.85 m downhole, and 28.29 g/t Au over 0.5 m from 225.3 to 225.8 m downhole. This zone consists of stockwork-breccia quartz veins containing visible gold hosted by the Gunnar porphyry, which is strongly deformed and altered (silica-sericite-pyrite) throughout this interval. Drillhole EO-20-001, located 100 m along strike to the northwest of EO-20-002, yielded multiple intercepts, highlighted by 1.3 g/t Au over 4.1 m from 238.4 to 242.5 m downhole, including 5.14 g/t Au over 0.6 m from 238.4 to 239.0 downhole, and 0.64 g/t Au over 5.6 m from 296.7 to 302.3 m downhole. Both of these intercepts consist of stockwork-breccia quartz-pyrite-tourmaline veins in strongly deformed and altered Gunnar porphyry.

### Bidou Project

The Bidou project area is underlain by a thick, well-stratified succession of basalt flows, layered gabbro sills and bedded sedimentary rocks, intruded by quartz-feldspar porphyry dikes and cut by brittle-ductile shear zones. The project area, encompassing roughly 8 square kilometres, is located adjacent to the southeast margin of the Ross River pluton – the prominent asymmetric intrusion that occupies the core of the Rice Lake belt. The overall

stratigraphic and structural setting of this project is directly analogous to that of the True North (Rice Lake) deposit, located on the opposite (northwest) margin of the pluton. During Q1 2020 the Company spent \$228,616 (Q4 2019 - \$418,557) completing the phase 1 drill testing on four targets in the Bidou project area, the Bidou Shear, Bidou South, Janet and Midway targets. Highlighted drill intercepts from the Bidou project area are listed in Table 2. Based on the results of the 2019-2020 Phase I drilling program, each of these targets merits follow up drilling.

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

Target	Hole ID <sup>(1)</sup>	Easting (NAD83, UTMZ15N)	Northing (UTMZ15N)	Length (m)	Az. (deg.)	Incl. (deg.)	From (m)	To (m)	Length <sup>(2)</sup> (m)	Gold <sup>(3)</sup> (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	
								81.80	84.25	2.5	2.64	
	BS-19-002	336695	5637859	302	200	-75		83.65	84.25	0.6	9.98	
							<i>inc.</i>	30.10	30.55	0.45	1.41	
	BS-20-005	337227	5637596	345	240	-55		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	
								174.00	186.22	12.22	2.17	
								174.00	177.13	3.13	3.70	
	BL-20-002	334971	5637967	305	165	-55		178.23	179.07	0.84	10.70	
							<i>inc.</i>	181.10	181.73	0.63	2.19	
							<i>and</i>	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	
						<i>and</i>	105.90	107.50	1.60	4.37		

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

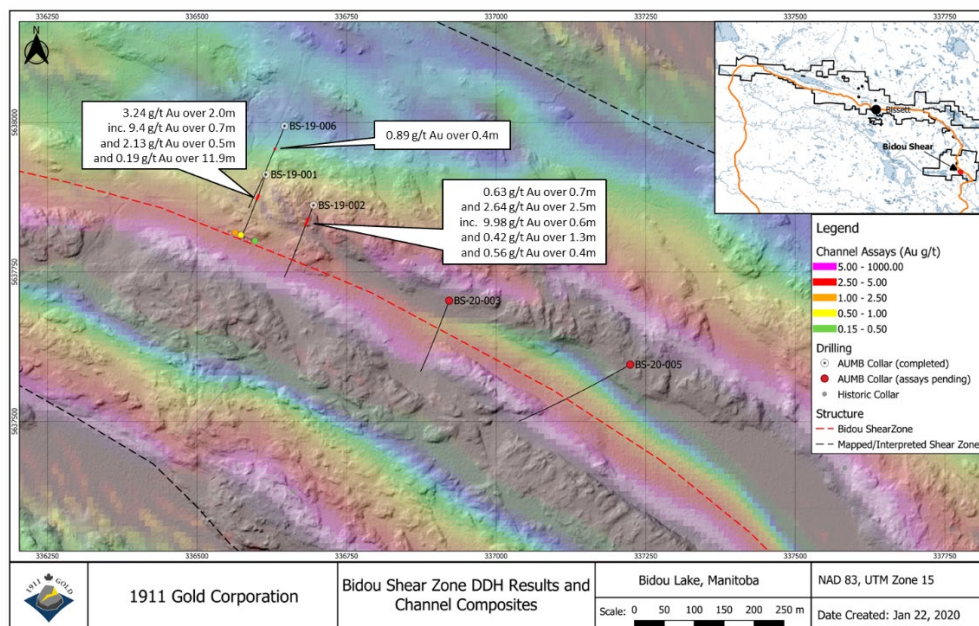
<sup>(2)</sup> Represents drillcore length, as true width is presently unknown

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

### Bidou Shear Target

The Company completed five drillholes, totaling 1,448 m, to test the Bidou Shear target in locations down-dip and along strike from a historical showing that returned up to 22.9 g/t Au from grab samples collected during the 2019 field exploration program. The target is located near a large-scale inflection point, thought to represent a potential site of structural dilation, in the trend of a regional-scale, brittle-ductile shear zone that had not previously been tested by drilling. The shear is poorly exposed along the margins of a linear topographic valley, underlain by a thin unit of bedded sedimentary rocks, bounded on both sides by layered gabbro sills and intruded by felsic porphyry dikes. This structure remains open along strike for several kilometres in both directions from the area of the 2019-2020 drilling and will be the focus of continued work during the 2020 field exploration program.

**Figure 6: Bidou Shear target, Bidou project.**



Drillhole BS-19-001 intersected a 16.2 m interval, from 98.1 to 114.3 m downhole, of shear and extensional quartz veins within bedded sedimentary rocks along the lower contact of a gabbro sill. A discrete shear vein at the upper contact of the zone included visible gold and returned 9.40 g/t Au over 0.7 m within a broader interval of 3.24 g/t Au over 2.0 metres from 98.1 to 100.2 m downhole. This interval also returned 2.13 g/t Au over 0.5 m (from 101.3 to 101.8 m downhole), and is followed downhole by a broad interval of scattered gold values, which returned 0.19 g/t Au over 11.9 m (from 102.4 to 114.3 m downhole).

Drillhole BS-19-002 was drilled to test the same structure in a drift-covered area approximately 100 m along strike to the east-southeast, which returned anomalous Au values from surficial geochemistry. This drillhole intersected several narrow zones of gold mineralization associated with quartz veins and localized zones of intense sericite-carbonate-pyrite alteration. High-grade gold mineralization in this drillhole is hosted by a laminated shear vein that yielded 2.64 g/t Au over 2.5 m, from 81.8 to 84.3 m downhole, including 9.98 g/t Au over 0.6 m from 83.7 to 84.3 m downhole. This shear vein is spatially associated with deformed felsic porphyry dikes within the sedimentary rocks, indicating a potential control on vein emplacement.

Drillhole BS-20-003, collared to test the main structure 375 m along strike to the east-southeast of BS-19-001 in the location of a coincident gold-in-humus anomaly, returned only a single narrow interval of weakly anomalous gold mineralization (0.19 g/t Au over 0.5 m from 32.85 to 33.35 m downhole) associated with quartz-sulphide veins within intensely deformed sedimentary rocks.

Drillhole BS-20-005 was collared 320 m further along strike to the east-southeast to test a series of discordant structures and coincident gold-in-humus anomaly. This drillhole intersected four, narrow (~0.5 m), spaced zones of gold mineralization, with the best intercept (1.41 g/t Au over 0.45 m from 30.1 to 30.55 m downhole) coinciding with quartz-carbonate extension veins hosted by sedimentary rocks immediately adjacent to the contact of a gabbro sill – indicating a likely correlation with the zone intersected in drillhole BS-19-001.

Drillhole BS-19-006 was drilled 90 m down-dip on the same section from the high-grade intercept in BS-19-001, to test the depth extents of the vein system. Despite returning only one narrow zone of 0.89 g/t Au over 0.4 m from 109.7 to 110.1 m downhole, this drillhole did intersect a zone of intense, pale yellow-white, ankerite-sericite-silica alteration from 202 to 209 m downhole, which is similar to vein-proximal alteration elsewhere in the belt, most notably at the True North deposit at Rice Lake.

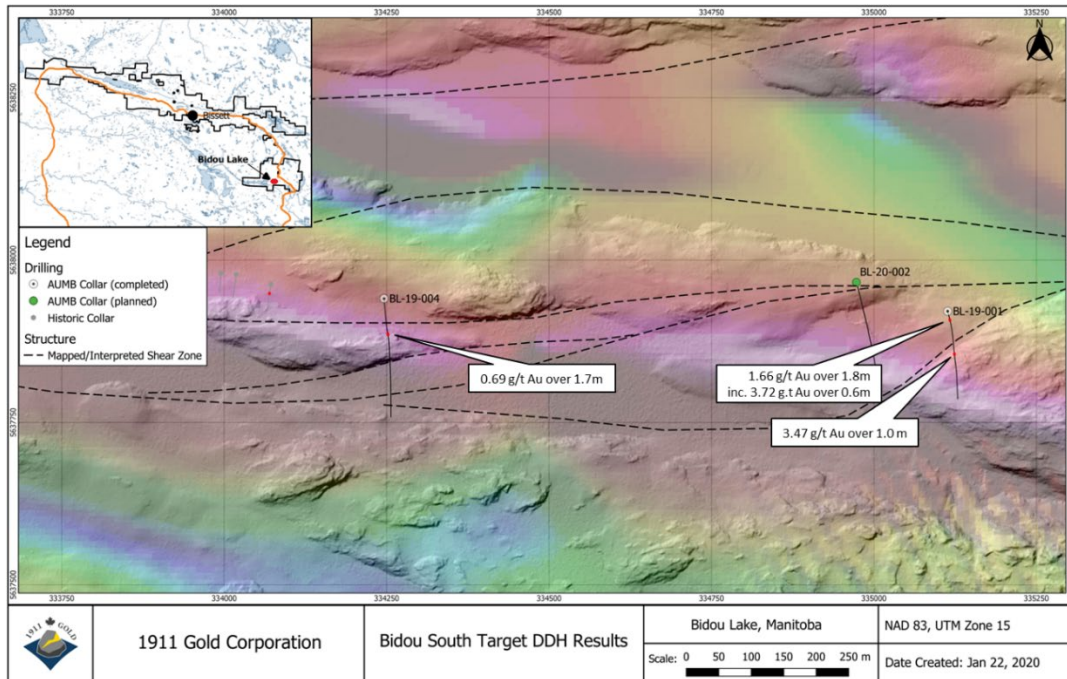
### **Bidou South Target**

The Company completed three drillholes, totaling 924 m, at the Bidou South target (Figure 7). These initial drillholes were designed to test gold-in-humus anomalies at the lateral extents of a recessively-weathered segment of a thick gabbro sill. This segment is characterized by SW-trending topographic lineaments and evidence of structural offsets of magnetic anomalies, interpreted to represent brittle-ductile structures that splay towards the southwest off the Bidou Shear. The movement direction of the shears coupled with their geometry indicates potential for large-scale sites of structural dilation favourable for vein emplacement – an analogous



stratigraphic and structural scenario to the True North deposit at Bissett, Manitoba.

**Figure 7: Bidou South target, Bidou project.**



The initial drillholes (BL-19-001 and BL-19-004), collared approximately 900 m apart along the strike of the targeted zone, confirmed the presence of brittle-ductile shear structures and intercepted several distinct styles of mineralization and alteration, and associated gold mineralization.

Drillhole BL-19-001 tested the eastern portion of the shear system and intersected two major zones of shear deformation associated with silica-carbonate-sericite-fuchsite-pyrite $\pm$ -arsenopyrite alteration. In this drillhole, an upper zone of intense shear deformation (from 28 to 51 m downhole) includes a central zone of laminated shear veins that returned 1.66 g/t Au over 1.8 m (from 38.5 to 40.3 m downhole), including 3.72 g/t Au over 0.6 m, and is bounded on both sides by fuchsite alteration. Further downhole, BL-19-001 intersected a series of shear veins over a 5.2 m core length (from 164.1 to 169.3 m downhole) within an interval of strong shear deformation and silica-pyrite alteration, a portion of which returned 3.47 g/t Au over 1.0 m from 166.8 to 167.8 m downhole. The presence of two significant gold-bearing structures in this location strongly supports the structural model for this target.

Drillhole BL-20-002, collared 150 m to the west-northwest of BL-19-001, intersected several zones of gold mineralization associated with ductile shears and quartz-carbonate veins. The principal zone consists of moderately to strongly sheared gabbro and sedimentary rocks with quartz-carbonate shear and extension veins, pyritized wall-rock and localized silica flooding, which yielded 2.17 g/t Au over 12.22 m from 174.0 to 186.22 m downhole. This zone includes higher-grade intervals associated with shear veins, including 3.70 g/t Au over 3.13 m from 174.0 to 177.13 m downhole and 10.70 g/t Au over 0.84 m from 178.23 to 179.07 m downhole. Notable in this intercept is the intensity of the wallrock sulphidation – a highly favourable indicator of the intensity of the hydrothermal system that deposited gold in this location. Also of note in this drillhole is a distinctive tourmaline-matrix breccia that contains weakly anomalous gold (0.11 g/t Au over 3.55 m from 59.33 to 62.88 m downhole), representing a style of mineralization not previously documented in the area.

Drillhole BL-19-004 was drilled to test the gabbro sill in the location of a mapped ductile shear zone and coincident area of anomalous surficial geochemistry. From 31 to 36 m downhole, this drillhole intersected a zone of strong shear deformation and intense silica-carbonate-sericite-arsenopyrite alteration at a leucogabbro-melagabbro contact, which failed to yield significant assay results. Downhole, the gabbro lies in contact with a thick unit of bedded sedimentary rocks, the uppermost portion of which, from 103.5 to 113 m downhole contains variable silica-carbonate-sericite alteration, and includes a thin lens of intense alteration and localized sulphidation (pyrite-chalcopyrite-sphalerite) that yielded 0.69 g/t Au over 1.7 m from 105.7 to 107.4 m downhole.

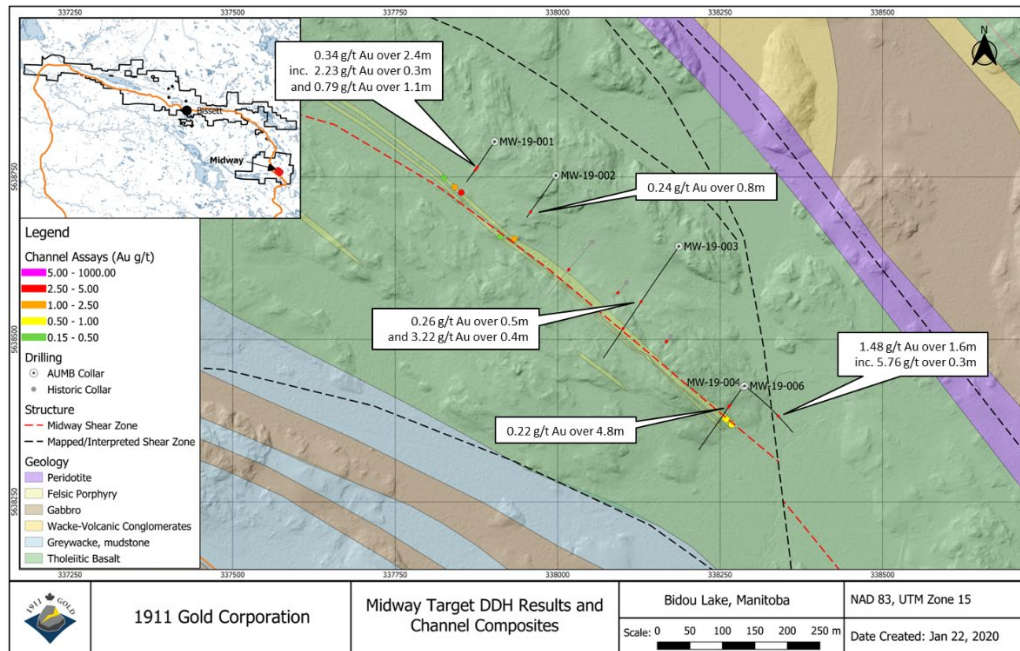
These results continue to support the structural model for this target as a potential analog to the True North deposit, where southwest-trending shear zones associated with left-lateral offsets of competent rock units hosted

high-grade orebodies.

### Midway Target

The Company completed five drillholes, totaling 1,082 m, to test a brittle-ductile shear zone controlled by felsic porphyry dikes within a thick succession of tholeiitic basalt flows at the Midway target (Figure 8). The shear zone was tested over a strike length of approximately 550 m and yielded a number of mineralized intercepts, characterized by silica-sericite-pyrite-altered felsic porphyry and stockwork quartz-carbonate veins. These intercepts yielded anomalous gold assays, highlighted by 0.34 g/t Au over 2.4 m (MW-19-001; from 129.2 to 131.6 m downhole) and 0.22 g/t Au over 4.8 m (MW-19-004; from 52.9 to 57.6 m downhole), with local, higher-grade intervals, characterized by small-scale quartz vein stockworks, as highlighted by 5.76 g/t Au over 0.3 m (MW-19-006; from 137 to 137.3 m downhole). Exploration during the 2020 field season will focus on evaluating parallel structures in this area, as defined by mapping and interpretation of aeromagnetic and LiDAR data.

**Figure 8: Midway target, Bidou project.**

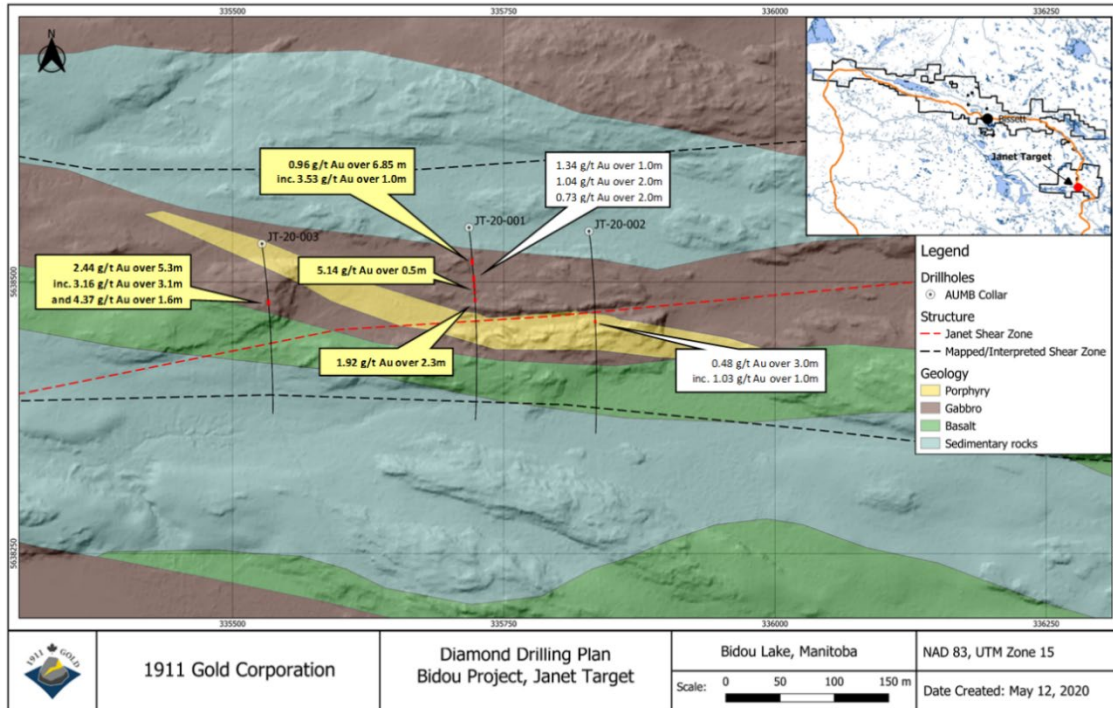


### Janet Target

The Company completed three drillholes, totaling 906 m, on the previously untested Janet target in the Bidou project area (Figure 9). The target here was a brittle-ductile shear zone that cuts at a shallow angle across tholeiitic basalt flows and interflow sedimentary rocks, intruded by a thick gabbro sill and felsic porphyry dike. The drillholes were designed to test the structure in locations where it cuts the contacts of the gabbro and felsic porphyry intrusions. All of the drillholes intersected wide zones of shear deformation and associated alteration, with the best intercepts coming from drillholes JT-20-001 and JT-20-003, collared approximately 200 m apart.



**Figure 9: Janet target, Bidou project.**



Drillhole JT-20-003 returned 2.44 g/t Au over 5.3 m from 102.2 to 107.5 downhole, whereas drillhole JT-20-001 yielded several significant intercepts, including 0.96 g/t Au over 6.85 m from 58.0 to 64.85 m downhole, 5.14 g/t Au over 0.5 m from 113.0 to 113.5 m downhole, and 1.92 g/t Au over 2.3 m from 124.7 to 127.0 m downhole. Gold mineralization in these drillholes is associated with shear and extensional quartz-tourmaline veins in zones of moderate to strong shear deformation and alteration in felsic porphyry, basalt and gabbro.

The Janet structure is interpreted to splay off the Bidou Shear approximately 1 km to the west-southwest along strike, providing considerable scope for additional drilling. The movement direction and geometry of the structure indicate potential for large-scale sites of structural dilation favourable for vein emplacement – an analogous stratigraphic and structural scenario to the True North deposit at Bissett, Manitoba.

**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. In early 2020, the Company initiated a comprehensive compilation of available data for both properties in order to guide corporate strategy and future exploration.

**Tully**

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 property is accessed by an all-weather gravel road that extends 15 kilometres to the east off of highway 655. Mineralization at Tully consists of an array of shallowly inclined quartz-carbonate veins stacked 'ladder-style' within the mafic host unit and constrained by its hangingwall and footwall contacts. The higher-grade core of the deposit extends over 600 metres along strike and 400 metres down dip, and plunges moderately toward the east-northeast.

The Company has recently identified and secured relevant materials from the SGX drilling programs, including drillcore, coarse rejects, pulps, drill logs and assay sheets, to facilitate data verification and future mineral resource estimates.

## Denton-Keefer

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. The property covers a 2.5 km thick section of volcanic and sedimentary rocks of the Abitibi greenstone belt, tightly bound by granodiorite on the north (Carlton Lake pluton) and tonalite on the south (Kenogamissi batholith). The southern portion of the property includes a 6 kilometre segment of the Porcupine-Destor Fault, which in this location includes a panel of sedimentary rocks, including iron formation, possibly representing the Timiskaming assemblage. Along the eastern boundary of the property, the Porcupine-Destor Fault is offset 3 kilometres northward by a late fault.

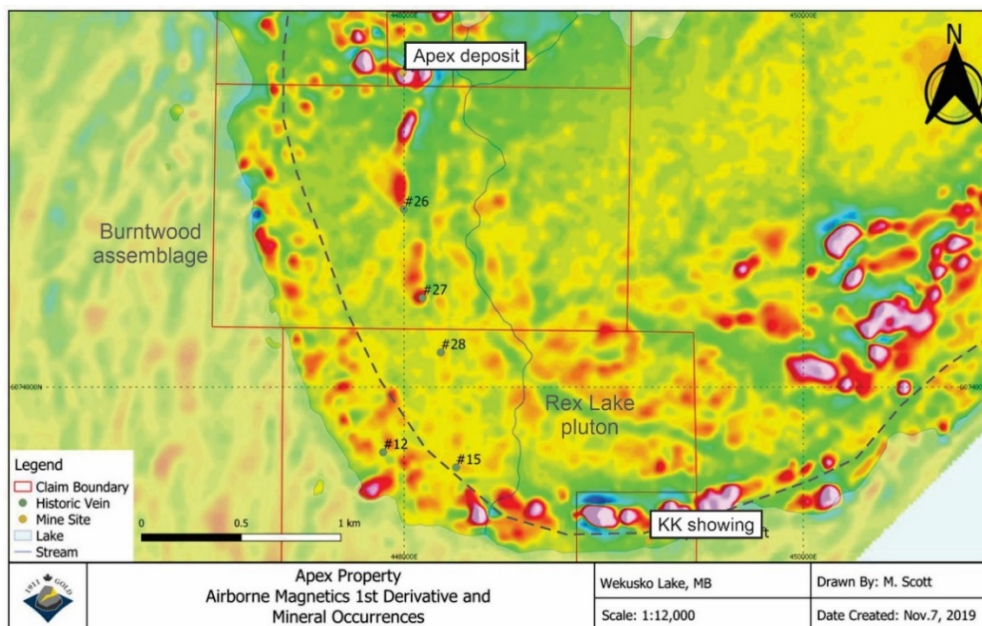
Owing to generally poor bedrock exposure on the property, only limited prospecting has taken place. Historical gold occurrences consist of quartz-carbonate veins and localized zones of sulphidation associated with brittle-ductile shears in the volcanic and sedimentary rocks of the Tisdale assemblage. A number of ground and airborne magnetic and electromagnetic surveys have been completed, as well as localized stripping, trenching, IP surveying and diamond drilling. Based on the overall geological setting, which appears highly conducive to focused hydrothermal fluid-flow along the Porcupine-Destor Fault, and through the narrow band of favourable Tisdale assemblage volcanic rocks, the property is considered to have excellent potential for orogenic gold deposits.

## 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. It is situated within a fault-block bound on both sides by crustal-scale faults, and lies immediately north of the Laguna property currently explored by KG Exploration (Canada) Inc., an affiliate of Kinross Gold Corp. The nearby New Britannia mine, located at Snow Lake, produced more than 1.4 million ounces of gold and includes a gold processing facility currently being refurbished by Hudbay Minerals Inc. to process gold ore from the Lalor deposit. Situated on the northeast shore of Wekusko Lake, the Apex property is easily accessed by boat from a landing on provincial road 392, located 9 kilometres to the west.

The Apex property contains two significant gold occurrences (Figure 10) 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.

**Figure 10: Location of the Apex and KK showings, Apex property.**

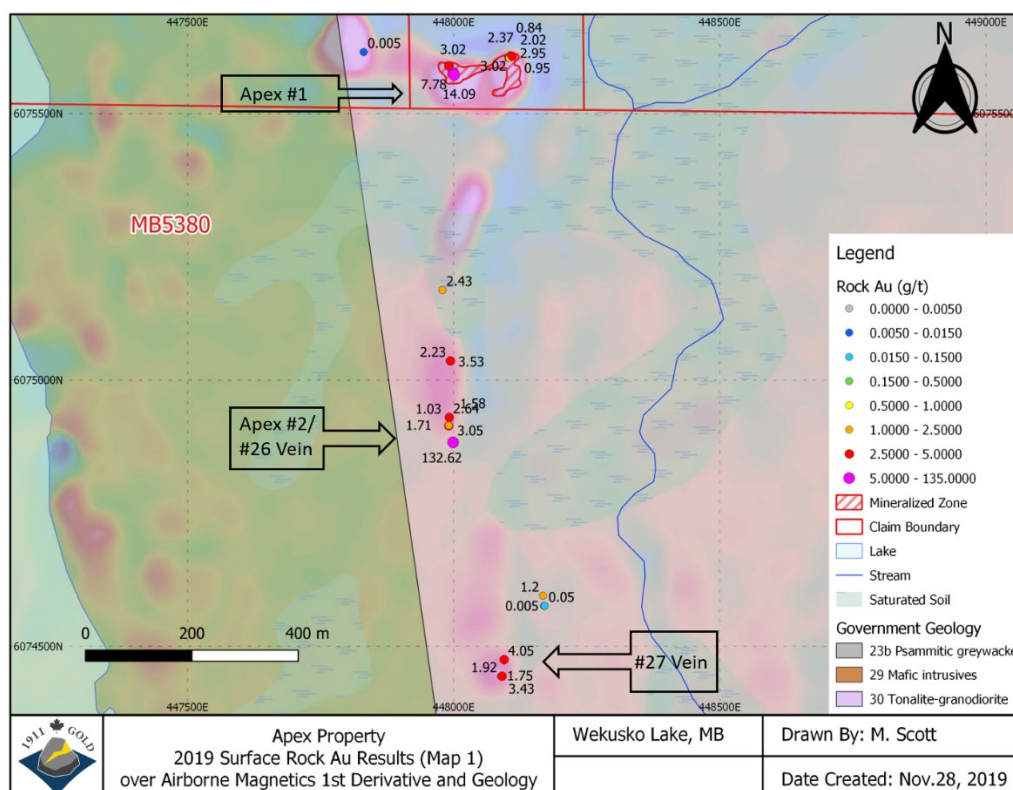


In 2019, the Company completed a small program of geological mapping, prospecting and surficial geochemical surveys (humus and black spruce bark), focused on historical showings on the Apex Property. Reconnaissance grab samples yielded a number of high-grade gold assays (Table 3), including 14.1 g/t Au from a quartz vein at the Apex showing and 69.1 g/t Au from the KK vein, as well as 132.6 g/t Au from a grab sample of a mafic inclusion in granodiorite from the Apex #2 showing, located between the Apex and KK vein (Figures 11 and 12).

**Table 3: Assay highlights from 2019 surface sampling, Apex property.**

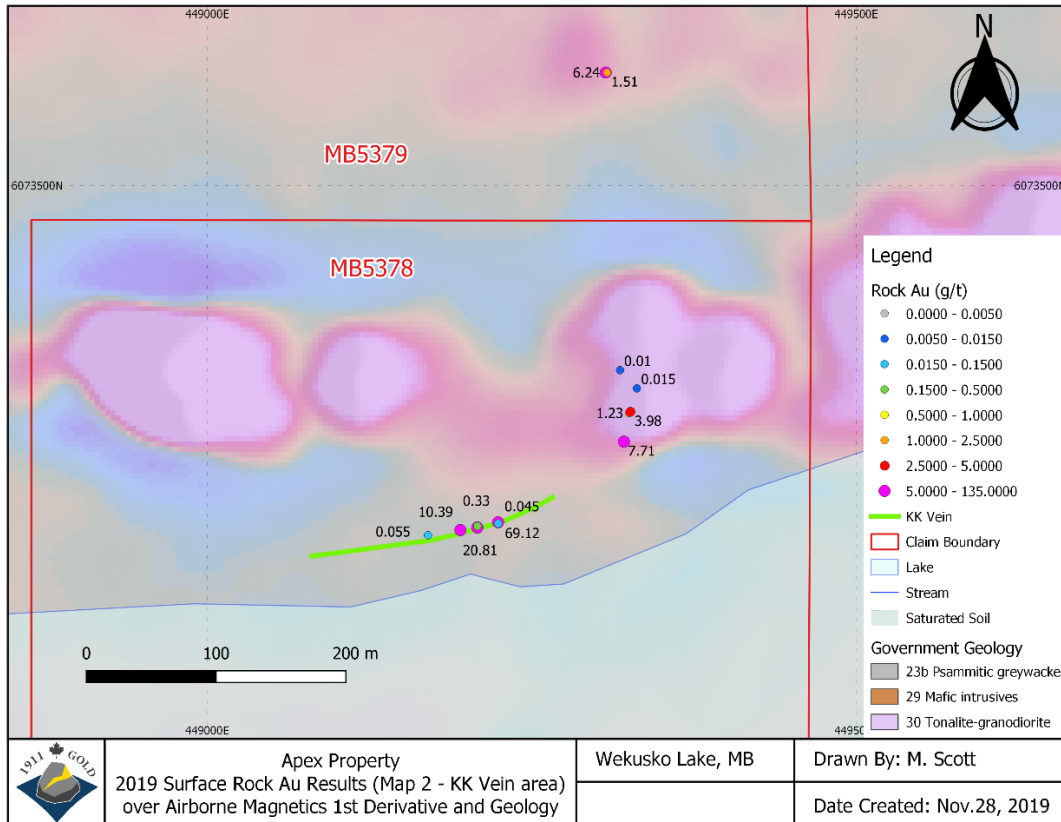
Zone	Sample Number	E_NAD83_Z14	N_NAD83_Z14	Original Type	Width (m)	Rock Group	Au (g/t)
Apex #1 Zone	R11729	448104	6075606	Grab		Plutonic/intrusive	3.02
Apex #1 Zone	R11734	447999	6075577	Grab		Veins	14.09
Apex #1 Zone	R11735	448001	6075573	Grab		Veins	7.78
Apex #1 Zone	R11736	447991	6075590	Grab		Ductile ('shears')	3.02
Apex #2/#26 Vein zone	R11741	447991	6074914	Grab		Plutonic/intrusive	3.05
Apex #2/#26 Vein zone	R11743	447999	6074883	Grab		Plutonic/intrusive	132.62
	R11745	447994	6075036	Grab		Veins	3.53
#27 vein zone	R11749	448091	6074444	Grab		Plutonic/intrusive	3.43
#27 vein zone	R11751	448095	6074475	Grab		Plutonic/intrusive	4.05
KK Vein	R11755	449224	6073241	Grab		Veins	69.12
KK Vein	R11758	449195	6073235	Grab		Veins	10.39
KK Vein	R11759	449208	6073237	Grab		Veins	20.81
NE trending vein 100m NE from KK	R11761	449321	6073303	Grab		Veins	7.71
NE trending vein 100m NE from KK	R11763	449326	6073326	Chip	0.2	Plutonic/intrusive	3.98
	R11766	449307	6073587	Grab		Veins	6.24

**Figure 11: 2019 surface sample locations and assay results (Au) in the area of the Apex showing.**





**Figure 12: 2019 surface sample locations and assay results (Au) in the area of the KK showing.**



These results demonstrate 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.

## 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 field exploration program will continue to advance the five projects areas worked during the 2019 field season, namely the Bidou, Tinney, Gold Horse, Horseshoe and Poundmaker projects. This work will include bedrock mapping, prospecting, geochemical surveys (rock, humus and black-spruce bark) and localized channel sampling.

In addition, fieldwork will begin on three new high-priority projects along the crustal-scale Wanipigow Fault, identified on the basis of geological similarities to other major Archean gold deposits (Figure 2). These projects include:

- Currie's Landing: analogous structural setting to the 3-million-ounce True North Gold Deposit at Bissett; second and third-order splay structures off the Wanipigow Fault;
- Wallace: 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; and
- Wanipigow East: analogous structural setting to the 4 million ounce Meliadine Gold Deposit in Nunavut; sheared and folded iron formations along the crustal-scale Wanipigow Fault.

This work will include reconnaissance geological mapping, prospecting and geochemical sampling. As a prelude to fieldwork in the Wanipigow East project area, the Company contracted a 2D pole-dipole DCIP (DC resistivity and induced polarization) survey to test the application of this method to detect and delineate sulphide mineralization beneath the thick blanket of conductive glaciolacustrine clay that typically fills the major topographic lineament that coincides with the Wanipigow Fault along much of its length. The clay blanket has

significantly hindered historical exploration efforts. The target here is sulphide-associated gold mineralization hosted by sheared and folded iron formations. The resulting data from this survey, which successfully detected resistivity and chargeability signatures in bedrock, are currently being processed for 3D modeling.

Based on the exceptional results of the Phase I exploration drilling program, the Company anticipates follow-up drilling on six of the seven targets tested to date, focusing on delineating auriferous structures along strike and to depth. This drilling program, which will be further refined by the results from the 2020 field season, is currently planned to commence in Q3 or Q4 2020.

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; however, compilations are continuing for both properties in order to guide the design and implementation of future exploration programs.

## REVIEW OF FINANCIAL RESULTS

For Q1 2020, the Company generated a loss of \$3.9 million compared to a loss of \$4.0 million for Q1 2019, primarily due to a \$0.7 million decrease in mill related production costs, offset by a \$0.7 million increase in exploration expense and higher general and administrative expense (\$0.1 million higher than 2019).

### Revenue

For Q1 2020, the Company did not produce any gold as the tailings reprocessing operations remained on care and maintenance for the season. During the same quarter in 2019, the Company sold 63 gold ounces from inventory for total proceeds for \$0.1 million.

### Cost of sales

Cost of sales includes the full cost of site operations, including periods where the mill is on seasonal care and maintenance as well, in prior years, the cost of underground mine maintenance. For Q1 2020 the Company incurred \$2.6 million in operating costs, including \$0.7 million of depreciation and depletion, compared with \$3.3 million during Q1 2019 (including \$0.9 million of depreciation and depletion). The decrease was primarily due to the suspension of care and maintenance of the underground mine on October 5, 2019, reducing Q1 2020 costs by \$0.4 million compared with Q1 2019. The remaining reduction in costs arises from lower utility and propane costs at site (\$0.4 million) resulting from lower utility rates and heating requirements.

The decrease in depreciation and depletion is a result of equipment dispositions in 2019, reducing the average capital asset balance in Q1 2020 compared with Q1 2019.

### General and administrative costs

General and administrative costs were \$0.5 million for Q1 2020 compared to \$0.4 million for Q1 2019 primarily arose from higher personnel costs during the quarter.

### Other expense

#### *Flow through premium recovery*

The Company recognized a flow-through premium recovery of \$0.5 million during Q1 2020 from the qualifying Canadian exploration expenses incurred related to the March 5, 2019 private placement (Q1 2019 - \$0.1 million related to the September 19, 2018 private placement).

## QUARTERLY RESULTS

The following selected financial information is a summary of the eight most recently completed quarters up to March 31, 2020.

Quarter Ended (\$ amounts in '000's)	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018
Gold sold (ounces)	-	2,711	3,133	370	63	3,580	240	1,843
Revenues	\$ -	\$ 5,320	\$ 6,181	\$ 669	\$ 110	\$ 5,774	\$ 394	\$ 3,137
Comprehensive Income (Loss)	\$ (3,880)	\$ (1,180)	\$ 1,230	\$ (3,858)	\$ (4,027)	\$ (5,475)	\$ (13,656)	\$ (4,137)

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 from the tailings impoundment facility, milling a total of 151,630 tons with an average grade of 0.9 g/t at a 73% recovery rate, producing 3,166 ounces of gold for the period. 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 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 in Q2 2019, on April 26, and produced 222,134 tons containing 6,081 ounces of gold for the year ended December 31, 2019.

During the first quarter of 2020, the Company continued to operate on care and maintenance and complete the annual mill maintenance program. In early March, the Company completed cleanup of areas that had not been covered in the 2019 cleanup, resulting in the shipment 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 corporate and non-essential exploration personnel.

## LIQUIDITY AND CAPITAL RESOURCES

(\$ amounts in '000's)	March 31 2020	December 31 2019
Cash	\$ 6,016	\$ 9,630
Total current assets	8,167	11,478
Total assets	44,413	48,381
Total current liabilities	2,027	2,192
Total liabilities	4,702	4,822
Total equity	39,711	43,559

The Company is currently focused on maximizing cashflow from the tailings operations to support the ongoing facility operating costs and exploration activity in the region. During Q1-2020 the Company is not re-processing tailings but continued to carry out maintenance, spending \$2.3 million to support operating and corporate costs. The Company also focused on completing the 2019/2020 phase 1 drilling program, using \$1.3 million in cash from the 2019 flow-through financing. The Company expects the negative cashflow to continue for the first two months of Q2 2020, as the Company delayed the restart of the tailings re-processing until May 20, 2020 in order to maintain a low number of onsite personnel and minimize the risk of spreading the SARS-CoV-2 virus in the area.

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

As at March 31, 2020, the Company had cash and cash equivalents of \$6.0 million (December 31, 2019 – \$9.6 million), and working capital of \$6.1 million (December 31, 2019 – \$9.3 million). During the three months ended March 31, 2020, the Company lost \$3.6 million (2019 - \$3.1 million) from operating, care and maintenance and investing activities, excluding working capital changes.

On January 10, 2019, the Company closed a non-brokered private placement for total proceeds of \$109,725, funded by management, and on March 21, 2019, the Company issued another 66,667 units to a director of the Company for additional proceeds of \$20,000. On March 18, 2019, the Company closed a non-brokered private placement by issuing 8,333,333 flow-through common shares for gross proceeds of \$4.0 million.

Management considers the Company's liquidity position at March 31, 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 May 27, 2020	38,189,064	2,980,000	213,330	2,665,833

### FINANCIAL INSTRUMENTS

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

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at March 31, 2020, the Company had working capital (current assets less current liabilities) of \$6,140. 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 currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company's historical foreign currency gains and losses 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 March 31, 2020, the Company itself had not entered into any agreements to mitigate its exposure to market price risk.

### CONTRACTUAL OBLIGATIONS

The following table provides our gross contractual obligations as of March 31, 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 12 *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 months ended March 31, 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 \$48 of salaries and wages that was included in exploration expense (2019 - \$nil).

(\$ amounts in '000's)	Three months ended March 31	
	2020	2019
Salaries and wages	\$ 311	\$ 147
Professional fees	-	5
Directors' fees	46	40
Management fees	-	13
Share-based payments	31	104
Total	\$ 388	\$ 309

## OUTLOOK

Going forward, 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.

Near-term, the focus will be on the Company's Rice Lake exploration properties. The 2020 field exploration program will continue to advance the five projects worked during the 2019 program. Over the coming months, data from the Phase I drilling program will continue to be analyzed, interpreted and modeled, and will be integrated with results from the 2020 field program to further advance drill-ready targets. Work will also begin in 2020 on the three new high-priority projects along the crustal-scale Wanipigow Fault, including the Currie's Landing, Wallace and Wanipigow East projects, in order to identify compelling targets for drilling.

The Company expects to commence drilling Q3/Q4 2020, following the 2020 field season and continuing through to March 2021. Based on results to date, several targets in both the Bidou and Tinney project areas clearly merit additional drilling. In addition, the Company will plan to test the targets that were developed in 2019 but were inaccessible during the Phase I drilling program due to poor freeze-up and resulting issues with ground access; specifically, in the Horseshoe and Poundmaker project areas.

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 four-week delay as the Company kept the operations at minimal care and maintenance levels in order to reduce the possible outbreak of COVID-19 infection within the local communities. This four-week delay will reduce the overall expected tonnage for 2020, however the Company expects to process approximately 1,250 tonnes per day once operations have normalized, at an average grade of 0.8 grams per tonne. The Company will focus on higher priority areas, including areas the operations were unable to access due to the early shutdown in 2019, and should be able to process between 185,000 and 220,000 tonnes during the operating season, assuming weather conditions remain favourable.

## 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](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, 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.