1911 Gold Corporation

Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in thousands of Canadian dollars)

For the three months ended March 31, 2023 and 2022

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - expressed in thousands of Canadian dollars)

	Note	March 31, 2023	December 31, 2022
		$	$
ASSETS			
Current			
Cash and cash equivalents		338	630
Marketable securities	**5**	18	35
Inventories	**6**	761	905
Prepaid expenses and other		299	400
		1,416	1,970
Non-current			
Restricted cash		400	400
Mineral properties, plant and equipment, net	**7**	31,670	31,793
TOTAL ASSETS		**33,486**	**34,163**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**8**	2,974	2,919
Accrued compensation and benefits		541	600
		3,515	3,519
Non-current			
Reclamation obligations	**10**	2,503	2,458
TOTAL LIABILITIES		**6,018**	**5,977**
SHAREHOLDERS' EQUITY			
Share capital	**11**	31,776	31,776
Share-based payment reserve	**11**	1,456	1,423
Accumulated other comprehensive income		(5)	(7)
Contributed surplus		130,106	130,106
Deficit		(135,865)	(135,112)
TOTAL SHAREHOLDERS' EQUITY		**27,468**	**28,186**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**33,486**	**34,163**

Nature of operations and going concern – Note 1
Commitments and Contingencies – Note 15

On behalf of the Board:

/s/ Mike Hoffman
Chairman

/s/ James Haggarty
Director

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2023 and 2022

(Unaudited - expressed in thousands of Canadian dollars)

	Note	Three months ended March 31 2023	2022
		$	$
REVENUES		**731**	**672**
Cost of sales			
Production costs		–	(822)
Depreciation and depletion		–	(133)
		731	(283)
Expenses			
Administrative and office		163	613
Consulting		50	169
Depreciation		123	75
Director fees		40	39
Exploration and evaluation		729	3,422
Fuel and utilities		207	25
Professional fees		22	44
Salaries and benefits		227	827
Share-based payments		33	82
Shareholder communications		18	35
Loss before other items		(881)	(5,614)
Flow-through premium recovery	**9**	–	704
Other income		331	84
Interest income		2	3
Reclamation obligation accretion	**10**	(45)	(45)
Loss on marketable securities	**5**	(17)	(8)
Writedown of inventory	**6**	(143)	–
Net loss for the period		(753)	(4,876)
Other comprehensive income for the period			
Currency translation adjustment		2	–
Comprehensive loss for the period		(751)	(4,876)
Loss per share			
Basic and diluted		(0.01)	(0.07)
Weighted average number of shares outstanding			
Basic and diluted		68,216,155	68,216,155

Condensed Interim Consolidated Statement of Cash Flows
For the three months ended March 31, 2023 and 2022

(Unaudited - expressed in thousands of Canadian dollars)

		Three months ended March 31	
	Note	**2023**	**2022**
		$	**$**
CASH (USED IN) PROVIDED BY:			
Operating activities			
Net loss and comprehensive loss for the period		(753)	(4,876)
Depreciation and depletion		123	209
Accretion on reclamation obligation	**10**	45	45
Share-based payments	**11**	33	82
Loss on marketable securities	**5**	17	8
Foreign exchange gain		(8)	–
Flow-through premium recovery	**9**	–	(704)
Changes in non-cash working capital items			
Inventories		144	18
Prepaid expenses and other		101	(106)
Accounts payable		65	1,986
Accrued compensation and benefits		(59)	58
		(292)	(3,280)
Investing activities			
Expenditures on mineral property, plant and equipment		–	(36)
		–	(36)
Decrease in cash and cash equivalents		(292)	(3,316)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		**630**	**9,954**
CASH AND CASH EQUIVALENTS - END OF PERIOD		**338**	**6,638**

Supplemental cash flow information – Note 14

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in thousands of Canadian dollars)

	Note	Number of common shares	Share capital	Share–based payment reserve	Accumulated Other Comprehensive Income	Contributed Surplus	Deficit	Total
			$	$	$	$	$	$
Balance, December 31, 2021		68,216,155	31,776	1,126	–	130,106	(123,725)	39,283
Share-based payments	11	–	–	82	-	–	–	82
Loss for the period		–	–	–	-	–	(4,876)	(4,876)
Balance, March 31, 2022		**68,216,155**	**31,776**	**1,208**	-	**130,106**	**(128,601)**	**34,489**
Share-based payments	11	–	–	215	–	–	–	215
Loss for the period		–	–	–	–	–	(6,511)	(6,511)
Cumulative translation adjustment		–	–	–	(7)	–	–	(7)
Balance, December 31, 2022		**68,216,155**	**31,776**	**1,423**	**(7)**	**130,106**	**(135,112)**	**28,186**
Share-based payments	11	–	–	33	–	–	–	33
Loss for the period		–	–	–	–	–	(753)	(753)
Cumulative translation adjustment		–	–	–	2	–	–	2
Balance, March 31, 2023		**68,216,155**	**31,776**	**1,456**	**(5)**	**130,106**	**(135,865)**	**27,468**

1. NATURE OF OPERATIONS

1911 Gold Corporation ("1911 Gold" or the "Company") is engaged in the exploration and extraction of precious metals. The Company owns and operates the Rice Lake property which holds the True North gold mine and mill ("True North"), as well as the Apex property near Snow Lake, Manitoba and the Denton-Keefer and Tully properties near Timmins, Ontario. The Company was incorporated under the British Columbia Business Corporations Act on May 3, 2018 and is listed publicly on the TSX Venture Exchange ("TSX-V") under the symbol "AUMB" and the OTCQX Best Market under the symbol "AUMBF". The Company's registered office is located at 666 Burrard Street, 25th Floor, Vancouver, British Columbia, V6C 2X8.

Going Concern

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for at least twelve months from the period end. At March 31, 2023 the Company had a working capital deficit (current assets less current liabilities) of $2,099 (December 31, 2022 – $1,549). During the three months ended March 31, 2023 the Company incurred a loss of $753 (2022 - $11,387) and used cash for operating activities of $292 (2022 - $9,287). As at March 31, 2023, the Company had a cash balance of $338 which is not sufficient to fund the current financial obligations beyond June 30, 2023. The Company is continuing to pursue additional sources of funding, including through non-core property sales and financing, as well as pursuing possible mergers and acquisitions.

The Company has a history of operating losses, has limited financial resources, and no assurance that sufficient funding will be available to enable the Company to continue exploration activities. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock, through entering into joint ventures or by realizing proceeds from the disposition of its mineral interests. Management plans to continue to secure the necessary financing through a combination of equity financing and divesting of non-core property holdings; however, there can be no assurance that the Company will be successful in these actions. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance and functional currency

These condensed interim consolidated financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements were approved by the Board of Directors on May 24, 2023. These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

These condensed interim consolidated financial statements include the financial statements of the Company's subsidiary, 1911 Gold USA. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company's Canadian entity. The functional currency of the Company's foreign entity is US dollars. The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

(Unaudited - expressed in thousands of Canadian dollars)

Consistency of Presentation

The Company retains the presentation and classification of items in the financial statements from the previous period. However, some items on the condensed interim consolidated statements of loss and comprehensive loss were reclassified in order to improve the presentation of the financial statements and provide more relevant information. The table below provides a summary of how the previous period presentation was amended accordingly to be consistent with the current presentation:

	Old Presentation	Reclassification	New Presentation
	Three months ended March 31, 2022		Three months ended March 31, 2022
	$	$	$
Cost of sales			
Production costs	(2,095)	1,273	(822)
Depreciation and depletion	(209)	76	(133)
	(2,304)	**1,349**	**(955)**
Expenses			
Administrative and office	560	(560)	–
Exploration expense	3,422	(3,422)	–
General and administrative	–	613	613
Consulting	–	169	169
Depreciation	–	75	75
Director fees	–	39	39
Exploration and evaluation	–	3,422	3,422
Fuel and utilities	–	25	25
Professional fees	–	44	44
Salaries and benefits	–	827	827
Share-based payments	–	82	82
Shareholder communications	–	35	35
	3,982	**1,349**	**5,331**

3. ACCOUNTING POLICIES

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the most recent audited annual financial statements for the Company for the year ended December 31, 2022.

Accounting standards issued but not yet effective

As at March 31, 2023, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

(Unaudited - expressed in thousands of Canadian dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual consolidated financial statements and the reported amounts of gain and expenses during the reporting period. Such estimates and assumptions, which by their nature are uncertain, affect the carrying value of assets, impact decisions as to when exploration and evaluation costs should be capitalized or expensed. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company's critical accounting estimates and judgments applied in the preparation of these interim financial statements are consistent with those reported in our 2022 annual consolidated financial statements.

5. MARKETABLE SECURITIES

	$
Balance at December 31, 2021	213
Mark-to-market adjustment on fair value of marketable securities	(53)
Sale of Alliance shares through repurchase by Alliance	(125)
BALANCE AT DECEMBER 31, 2022	**35**
Mark-to-market adjustment on fair value of marketable securities	(17)
BALANCE AT MARCH 31, 2023	**18**

As at March 31, 2023, the Company held 1,745,550 shares of 55 North Mining Inc. ('55 North"). During the three months ended March 31 ,2023, the Company recorded a mark-to-market adjustment of $17 bringing the fair value of the shares as at March 31, 2023 to $18.

On June 24, 2021, the Company received 500,000 shares of Alliance Mining Corporation ("Alliance") for the sale of the Greenbelt claims to Alliance. During the year ended December 31, 2022, the shares were repurchased by Alliance Mining and the shares and corresponding liability were derecognized. In addition to the shares received, Alliance was required to repurchase those shares with cash payments totalling $500, $300 of which was recorded during the year ended December 31, 2022 in other income.

6. INVENTORIES

As at March 31, 2023 and December 31, 2022, the inventory consisted of supplies inventory. During the three months ended March 31, 2023 a writedown of $143 was taken on inventory for obsolete supplies (year ended December 31, 2022- $nil).

(Unaudited - expressed in thousands of Canadian dollars)

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

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

As a result of the shutdown of mining operations in 2018 and the focus on exploration activity for the foreseeable future, all the Company's mineral properties are considered to be in the exploration phase.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31 2023	December 31 2022
	$	$
Accounts payable	2,824	2,525
Accrued liabilities	150	394
	2,974	**2,919**

(Unaudited - expressed in thousands of Canadian dollars)

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the issued flow-through shares:

	$
Balance at December 31, 2021	1,645
Settlement of flow-through share liability on incurred expenditures	(1,645)
BALANCE AT DECEMBER 31, 2022 AND MARCH 31, 2023	**–**

During the year December 31, 2021, the Company issued 20,500,000 flow-through common shares for gross proceeds of $8,000. The Flow-Through Shares were issued in two tranches with tranche one consisting of 6,000,000 Flow-Through Shares (the "Premium FT Shares") issued to purchasers residing in Manitoba at a price of $0.56 per Premium FT Share for aggregate gross proceeds of $3,360 and tranche two consisting of 14,500,000 Flow-Through Shares (the "National FT Shares") issued to purchasers residing outside of Manitoba at a price of $0.32 per National FT Share for aggregate gross proceeds of $4,640. A premium of $0.25 per share was recorded for the Premium FT shares and a premium of $0.01 per share was recorded for the National FT shares.

During the year ended December 31, 2022, the Company incurred $8,000 of eligible flow-through expenditures and a total flow-through share premium liability of $1,645 was amortized to flow-through premium recovery on the statement of loss and comprehensive loss.

10. RECLAMATION OBLIGATION

The reclamation obligation is related to True North and is estimated based upon the present value of expected cash flows using estimates of inflation and risk-free discount rate. The undiscounted amount of cash flows required to settle the reclamation obligation was estimated at $8,993 as at March 31, 2023 (December 31, 2022 – $8,993).

The key assumptions on which the provision estimates were based in the three months ended March 31, 2023 and year ended December 31, 2022 are:

- Expected timing of the cash flows occurs between 2023-2041 based on the estimated useful life of True North.
- The inflation rate used for the year ended March 31, 2023 is 3.28% (year ended December 31, 2022 – 3.28%).
- The discount rate used for the year ended March 31, 2023 is 7.28% (year ended December 31, 2022 – 7.28%).

The following table provides a summary of changes in the reclamation obligation:

	$
Balance at December 31, 2021	3,116
Accretion expense	180
Change in estimate	(838)
Balance at December 31, 2022	2,458
Accretion expense	45
BALANCE AT MARCH 31, 2023	**2,503**

(Unaudited - expressed in thousands of Canadian dollars)

11. SHARE CAPITAL

a) **Authorized:** Unlimited common shares without par value.

b) Shares issued

During the three months ended March 31, 2023 and year ended December 31, 2022 no shares were issued.

c) Options

The Company has adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees, and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

The options vest as to one-third immediately and one-third after the first and second anniversary of the date of grant.

The Company's share options outstanding as at March 31, 2023 and December 31, 2022 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2021	3,981,668	0.45
Granted – February 2, 2022	825,000	0.35
Granted – March 15, 2022	300,000	0.40
Granted – April 1, 2022	450,000	0.38
Forfeited	(20,000)	0.30
BALANCE AS AT DECEMBER 31, 2022 AND MARCH 31, 2023	**5,536,668**	**0.43**

The total share-based payment expense recorded during the three months ended March 31, 2023 was $33 (2022: $82).

The following table summarizes information about the share options as at March 31, 2023:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Weighted average exercise price of options exercisable	Number of options exercisable	Expiry date
$0.36	1,365,000	0.38	$0.36	1,365,000	August 15, 2023
$0.31	175,000	0.66	$0.36	175,000	November 26, 2023
$0.31	400,000	0.79	$0.31	400,000	January 15, 2024
$0.36	175,000	0.93	$0.36	175,000	March 4, 2024
$0.30	831,668	1.50	$0.30	831,668	September 27, 2024
$0.77	275,000	2.35	$0.77	275,000	August 5, 2025
$0.78	740,000	2.41	$0.78	740,000	August 27, 2025
$0.35	825,000	3.85	$0.35	550,000	February 2, 2027
$0.40	300,000	3.96	$0.40	200,000	March 15, 2027
$0.38	450,000	4.01	$0.38	150,000	April 1, 2027

(Unaudited - expressed in thousands of Canadian dollars)

The fair value of options recognized has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the options:

Grant date	Expected Option life (years)	Risk free interest rate	Dividend yield	Expected volatility[1]	Weighted average fair value
February 2, 2022	5.00	1.61%	nil	75%	$0.18
March 15, 2022	5.00	1.67%	nil	75%	$0.25
April 1, 2022	5.00	2.42%	nil	75%	$0.24

[1] As the Company does not have sufficient history of past share prices, the expected volatility was calculated by taking the average volatility of similar junior resource companies.

d) Warrants

The Company's warrants outstanding as at March 31, 2023 and December 31, 2022 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2021	2,312,213	1.75
Expired	(324,400)	0.50
BALANCE AS AT DECEMBER 31, 2022 AND MARCH 31, 2023	**1,987,813**	**1.94**

The balance of warrants outstanding as at March 31, 2023 is as follows:

Expiry Date	Exercise Price	Remaining Life (Years)	Warrants Outstanding
June 30, 2023	$0.35	0.25	737,813
April 3, 2032	$4.24	9.02	625,000
February 11, 2029	$1.52	5.87	625,000

12. RELATED PARTY TRANSACTIONS

Key Management Compensation

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

	Three months ended March 31	
	2023	2022
	$	$
Salaries and wages	103	296
Professional fees	20	5
Directors' fees	40	39
Share–based payments	24	76
	187	**416**

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

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

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

13. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders, and to explore and develop assets with a view to building a diversified mineral resource company.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit.

The Company manages the capital structure and adjusts it based on changes in economic conditions and the risk characteristics of the mineral property assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or sell assets to fund activities. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the three months ended March 31, 2023.

Financial Instruments

The Company's financial instruments consist of cash equivalents, deposits, marketable securities, accounts payable and accrued liabilities. Cash equivalents, deposits, accounts payable and accrued liabilities are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. Marketable securities are recorded at fair value through profit or loss ("FVTPL") and are measured at fair value using Level 1 inputs.

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 as they fall due (see Note 1). The Company closely monitors and reviews its costs incurred and actual cash flows against the approved budget on a monthly basis to ensure the Company's access to funds is adequate to support the Company's operations on an ongoing basis. Future operations or exploration programs will require additional financing primarily through equity markets or other forms of financing such as joint venture partnerships.

Interest Rate Risk

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

Foreign Exchange Risk

The Company's Canadian entities have a Canadian dollar functional currency. Foreign 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.

(Unaudited - expressed in thousands of Canadian dollars)

Commodity Price Risk

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

14. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements.

During the three months ended March 31, 2023 and 2022 no transactions were excluded from the statement of cash flows.

15. COMMITMENTS AND CONTINGENCIES

True North Mine Closure Plan and Financial Security

In connection with the Company's Mine Closure Plan, the Company is obligated to provide financial security to the Province of Manitoba. In 2021 the Company met this obligation by providing a third-party surety for $800 which included a cash deposit of $400 held by the third-party surety provider. This cash deposit is included in restricted cash on the Statement of Financial Position.

The total financial security will be provided based on the following schedule:

Year	Financial Security Amount
2021	$800 (paid)
2022	$1,200
2023	$1,800
re2024	$2,267
Total	**$6,067**

In addition to the financial security amounts to be added to the surety above, the Company will pledge certain physical assets, including equipment and buildings, as security against the entirety of the closure cost obligation, until such time as the financial security adequately covers the closure costs.