



Management's Discussion and Analysis of

**FIORE GOLD LTD.**

For the Fiscal Years Ending September 30, 2020 and 2019

## Fiore Gold Ltd.

Management's Discussion and Analysis

For the year ending September 30, 2020

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### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following Management Discussion and Analysis (MD&A) of Fiore Gold Ltd. (the "Company", "we", "our", "us" or "Fiore Gold") should be read in conjunction with the accompanying financial statements and related notes for the years ended September 30, 2020 and 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in U.S. dollars, unless otherwise noted.*

*This discussion contains forward-looking statements reflecting our current expectations, whose actual outcomes involve risks and uncertainties. Actual results and the timing of events may differ materially from those stated in or implied by these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risks and Uncertainties," and "Cautionary Statement Regarding Forward-Looking Statements".*

The report is dated as of December 8, 2020. All references to the Company include its subsidiaries unless the context requires otherwise.

#### OVERVIEW

Fiore Gold is a growing gold producer, developer and explorer focused on precious metal projects in the United States. Fiore operates the Fiore Gold Pan Mine ("Pan"), an open pit, heap leach mine in White Pine County, Nevada. The nearby Gold Rock project is a federally permitted evaluation stage gold project and the Golden Eagle project in Washington State is an exploratory stage project with significant identified gold mineralization.

Fiscal year 2020 ("2020") was the most profitable year in our Company's history with net income of \$17.96 million, cash flow generated from operations of \$24.31 million and a \$15.93 million increase in our cash balance. Revenue during the year of \$77.91 million was 45% higher than 2019 due to an 11% increase in gold production and a 28% increase in the average realized price<sup>1</sup> to \$1,681 per ounce. Consolidated operating cash flow for 2020 was \$24.31 million, with operating cash flow from the Pan Mine<sup>1</sup> of \$31.68 million. During 2020 operating cash flow sufficiently covered corporate overhead, evaluation and development projects ongoing at Gold Rock, including finalizing the Preliminary Economic Assessment ("PEA"), drill programs and on-going metallurgical programs. We continue to invest into the internal growth of the Company with \$7.20 million of investing expenditures during the year.

Gold production of 46,031 ounces was an 11% increase over 2019 and well within our guidance range of 45,000 to 48,000 ounces. We continue to realize the benefit from the higher recovery levels we expected after transitioning to ore crushing. Pan mined 14,961 ore tons per day ("tpd") at a stripping ratio of 1.5 and grade of 0.015 ounces/ton, all measures within or better than full year 2020 guidance, which resulted in 83,742 contained ounces mined, our highest ever. At expected recoveries, total recoverable ounces mined was 54,703.

At Pan, we concluded a 21,741-metre (71,330 foot) drilling program which was aimed at expanding the resource and reserve base and adding to the overall mine life. The program targeted conversion of Inferred resources that exists within and adjacent to the existing reserve pits as well as expanding the overall resource base. The drilling results were incorporated into an updated reserve, resource and life of mine plan. The updated mineral reserve estimate represents a 6% increase in contained gold ounces and fully replaces reserves mined since the last reserve update in September 2018. The updated Measured and Indicated resource contains 427,400 gold ounces, which represents 99% of the resource estimate at the Company's inception, while the life of mine plan extends the Pan mine life by two years into 2025 at a mining rate of 14,000 ore tons per day.

Results from the Gold Rock PEA were announced during April 2020, which represents our first ever economic and technical analysis of mining at Gold Rock. The PEA showed positive economics for the project and identified numerous opportunities to enhance the project economics moving forward. Highlights from the PEA are included within the Gold Rock property section. We commenced a program during July 2020 of resource expansion, metallurgical, geotechnical and condemnation drilling to advance the Feasibility Study ("FS") through 2021. Subsequent to year-end, on November 24<sup>th</sup>, we announced results of the first 62 holes or 13,700-metres (45,000 feet) of reverse circulation drilling results. The results show strong, consistent mineralization and excellent opportunities to expand the current resource toward the FS.

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In light of the COVID-19 pandemic, we are continuing to take a number of precautions to reduce the risk to our employees. The Denver and Toronto offices remain closed with employees working from home. At our Nevada operations, enhanced safety measures have included significant curtailments of all non-essential work-related travel, other than travel to and from the mine-site, significantly reduced visitors and non-essential consultants and contractors, isolating delivery drivers, reducing personal contact between onsite employees and contractors, senior staff occasionally working from home on a rotational basis considering both business and health needs and additional cleaning and sterilization measures. The Company also instituted a temporary increase in paid medical leave to ensure that employees can remain home if they or their family members are unwell. We have also completed various scenario planning analyses to consider potential impacts of COVID-19 on our business, including volatility in commodity prices, and/or temporary disruptions of our operating activities (voluntary or involuntary). The COVID-19 pandemic could have serious impacts on the Company, and we continue to monitor the situation. Refer to Risks and Uncertainties below for additional information regarding these potential impacts of the COVID-19 pandemic on the Company. As of the date of this report, the Pan Mine continues to operate with minimal disruptions due to the pandemic.

Our vision is to enhance the value of the Company to shareholders by improving our profitability and return on investment, maintaining a strong balance sheet position and increasing cash flows from operations. Our strategy to enhance the value of the Company is to grow Fiore Gold into a 150,000 ounce per year gold producer. To achieve this, we intend to:

- grow gold production at the Pan Mine while increasing the resource and reserve base;
- advance exploration and development of the nearby federally permitted Gold Rock project; and
- acquire additional production or near-production assets to complement our existing operations.

## **Corporate History**

Fiore Gold Ltd. was formed on September 25, 2017 pursuant to an Arrangement Agreement (the "Arrangement") dated July 24, 2017, whereby GRP Minerals Corp. ("GRP") acquired Fiore Exploration Ltd. ("Fiore Exploration"), combining their businesses to create Fiore Gold Ltd., a new U.S. based gold production and development company. Our shares are publicly listed on the TSX Venture Exchange ("TSX-V") under the symbol "F" in Canada and on the OTCQB in the United States under the symbol "FIOGF". The address of our registered and records office is 400 - 725 Granville Street, P.O. Box 10325, Vancouver, British Columbia, V7Y 1G5.

GRP was originally formed as a Colorado limited liability company on April 14, 2016 as GRP Minerals, LLC. On June 29, 2016, we filed a statement of conversion with the Colorado Secretary of State and incorporated in Nevada as a corporation and changed our name to GRP Minerals Corp. Under the Arrangement, GRP continued into British Columbia, Canada on September 25, 2017 and amalgamated with 1125250 B.C. ULC under the name Fiore Gold Ltd. On September 26, 2017, Fiore Gold acquired all of the issued and outstanding common shares of Fiore Exploration Ltd.

We are treated as a U.S. domestic corporation for U.S. federal income tax purposes and are also a taxable Canadian corporation for purposes of the Income Tax Act (Canada). Refer to "Tax Risks" below.

We strive to achieve excellent mine safety and health performance. We seek to implement this goal by training employees in safe work practices; establishing, following and improving safety standards; investigating accidents, incidents and losses to avoid recurrence; involving employees in the establishment of safety standards; and participating in the National Mining Association's CORESafety program. Our operations team has received the Nevada Mining Association's First Place Small Mine Operator Safety award for 2015, 2016, 2017, 2018 and 2019. We attempt to implement reasonable best practices with respect to mine safety and emergency preparedness. We address issues identified during investigations and inspections and continuously evaluate our safety practices.

The nature of the gold mining industry, our operations, and the overall gold market require that we recognize and manage several inherent challenges and risks, some of which are beyond our control. Investors are encouraged to refer to the "Risks and Uncertainties" for a detailed discussion of these risks.

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**2020 ANNUAL CONSOLIDATED OPERATIONAL, FINANCIAL AND ORGANIC GROWTH HIGHLIGHTS****Financial Highlights**

- Recorded annual revenues of \$77.91 million with mine operating income of \$26.90 million
- Generated Pan operating cash flow<sup>1</sup> of \$31.68 million and consolidated operating cash flow of \$24.31 million
- Continued to strengthen our balance sheet with cash of \$23.21 million, an increase of \$15.93 million relative to reported cash at September 30, 2019, and net working capital of \$40.04 million as of September 30, 2020
- Pan stand-alone operating income<sup>1</sup> of \$26.83 million and consolidated operating income of \$19.55 million
- Net income of \$17.96 million and basic and diluted earnings of \$0.18 per share
- Adjusted net earnings<sup>1</sup> of \$17.50 million and adjusted net earnings of \$0.18 per share<sup>1</sup>

**Operating Highlights**

- Full-year gold production of 46,031 ounces, an 11% increase over the preceding year and within full-year guidance of 45,000 to 48,000 ounces
- Gold sales of 46,334 ounces at an average realized price of \$1,681 per ounce
- Full-year mined ore production of 14,961 tpd at a stripping ratio of 1.5 and grade of 0.015 ounces/ton, all measures within or better than guidance
- 297,672 man-hours worked in the fiscal year 2020 with zero lost-time injuries
- Fiore consolidated AISC<sup>1</sup> of \$1,148, Pan Mine AISC<sup>1</sup> per ounce sold of \$1,026 and cash costs per ounce sold<sup>1</sup> of \$947
- Completed transition from Run of Mine ("ROM") to crushed ore placement
- Our operations team at Pan received the Small Mine Safety Award from the Nevada Mining Association for the fifth consecutive year
- Mining declared an essential business in Nevada and the Pan Mine continues to operate with strict protocols in place focused on protecting the health and safety of our employees

**Organic Growth Highlights**

- At Pan, we completed an exploration drilling program of 21,741 metres (71,330 feet) and announced an updated reserve, resource and life of mine plan that extended the mine life by two years into 2025
- At Gold Rock, results of a PEA were released on April 9th demonstrating positive economics with opportunities to further enhance value. The related technical report was filed May 13<sup>th</sup>
- Additionally, at Gold Rock we initiated a program of resource expansion, metallurgical, geotechnical and condemnation drilling to support a Feasibility Study. First drill results were announced subsequent to year-end, headlined by 48.8 meters of 2.17 g/t gold and 32.0 meters of 1.41 g/t gold
- At Golden Eagle, our project in Washington State, USA, we announced a 2.0 million ounce Measured and Indicated resource estimate

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**Q4 2020 OPERATIONAL AND FINANCIAL HIGHLIGHTS****Financial Highlights**

- Recorded quarterly revenues of \$23.93 million with mine operating income of \$10.93 million
- Generated Pan operating cash flow<sup>1</sup> of \$11.41 million and consolidated operating cash flow of \$9.88 million
- Pan stand-alone operating income<sup>1</sup> of \$10.93 million and consolidated operating income of \$9.08 million
- Net income of \$9.34 million and Adjusted net earnings<sup>1</sup> of \$8.71 million, both new quarterly records

**Operating Highlights**

- Quarterly gold production of 12,432 ounces and gold sales of 12,455 ounces
- Q4 mined ore production of 15,489 tons per day with the stripping ratio reducing as guided to 1.1 and grade of 0.015 ounces/ton, ore tons mined better than plan due to positive ore reconciliation
- 81,219 man-hours worked, achieving our goal of zero reportable incidents, zero reportable accidents, and zero lost-time injuries
- Q4 2020 Pan Mine AISC<sup>1</sup> per ounce sold of \$965 and cash costs per ounce sold<sup>1</sup> of \$886
- Q4 2020 Fiore consolidated AISC<sup>1</sup> of \$1,106
- Commenced construction of heap leach pad expansion phase III

<sup>1</sup>This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this MD&A for a description of these non-IFRS financial measures and a reconciliation to operating costs from the Company's annual financial statements.

**FY 2020 GUIDANCE REVIEW**

The following table outlines that FY2020 guidance as compared to actual results for FY2020:

		<b>2020 Guidance</b>	<b>2020 Actual</b>
Ore Mined	tpd	~14,000	14,961
Ore Grade Mined	(oz/t)	0.014 - 0.016	0.015
Strip Ratio	waste/ore	~1.6:1.0	1.5
Gold Ounces Produced	(oz)	45,000 - 48,000	46,031
Total Cash Costs per Ounce <sup>1</sup>	\$/oz sold	975 - 1,025	947
Pan Mine AISC per Ounce <sup>1</sup>	\$/oz sold	1,075 - 1,125	1,026
Fiore Consolidated AISC per Ounce <sup>1</sup>	\$/oz sold	1,175 - 1,225	1,148

Full-year mined ore production of 14,961 tpd was higher than guidance due to positive ore reconciliation. Strip ratio of 1.5 and grade of 0.015 ounces/ton were slightly better than and within guidance, respectively.

Full-year gold production of 46,031 represented an 11% increase over the year ended September 30, 2019 and within the guidance range of 45,000 to 48,000 ounces.

Total cash costs per ounce ended the year at \$947, which was below the guidance range of \$975 to \$1,025 per ounce. The average cash cost per ounce was driven down by the stripping ratio coming in below guidance due to positive ore reconciliation as noted above, lower operating cost per ton metrics than utilized within the guidance determination and higher contained gold ounces mined.

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Pan Mine AISC<sup>1</sup> came in at \$1,026 and Fiore Consolidated AISC<sup>1</sup> came in at \$1,148, both below their respective guidance ranges. This resulted from lower cash costs per ounce<sup>1</sup> as noted above, in addition to lower capital than was estimated in our 2020 AISC guidance determination. The lower capital is in part due to the reclassification of certain expenditures from sustaining capital<sup>1</sup> to non-sustaining capital. The Pan Mine 2020 resource expansion drilling program and construction of the phase III heap leach pad were conservatively classified as sustaining capital expenditures during the first three quarters of this fiscal year. As announced in our December 8, 2020 news release, the 2020 resource expansion drilling program resulted in a two-year extension of the Pan mine life into 2025, representing a material change in the resources and reserves. This will be documented in a new technical report to be filed during calendar Q1 of 2021. Accordingly, this drilling program was determined to be non-sustaining capital under the World Gold Council ("WGC") guidance as it is a major project materially benefiting the operation. A material benefit to an existing operation, per the WGC, is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation. Particularly the reserve addition represents in excess of a 10% increase in life of mine production. Refer to the Non-IFRS Financial Measures at the end of this MD&A for the quarterly impacts of this re-classification through 2020.

Additional leach pad space is required to process the additional reserves from the 2020 Pan Mine resource expansion drilling program. The phase III heap leach pad is currently being constructed and has been determined to be non-sustaining capital under the WGC guidance as it is a major project materially benefiting the operation. Therefore, a similar reclassification was applied for this expenditure. Again, this expenditure supports in excess of a 10% increase in life of mine production. The phase III expansion will continue to be considered non-sustaining as we complete construction in FY 2021.

The total non-sustaining capital costs of the drilling program and phase III heap leach pad during FY 2020 was \$2.34 million and \$0.73 million, respectively.

The increase in cash costs<sup>1</sup> relative to FY 2019 is due to the impact of sustained higher stripping in the second half of FY 2019 and the first half of FY 2020, a full year of processing costs related to the crusher, and general escalation in contractor mining costs. Pan and Fiore Consolidated AISC<sup>1</sup> are also impacted by the increase in cash costs<sup>1</sup>.

<sup>1</sup>Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

## FY 2021 GUIDANCE

		2021 Guidance
Ore Mined	tpd	~14,000
Ore Grade Mined	(oz/t)	0.012 - 0.014
Strip Ratio	waste/ore	~1.8:1.0
Gold Ounces Produced	(oz)	44,000 - 47,000
Total Cash Costs per Ounce <sup>1</sup>	\$/oz sold	1,050 - 1,100
Pan Mine AISC per Ounce <sup>1</sup>	\$/oz sold	1,125 - 1,175
Fiore Consolidated AISC per Ounce <sup>1</sup>	\$/oz sold	1,300 - 1,350

- Gold production in FY 2021 will be weighted towards the second half of the fiscal year and is expected to be in the range of 44,000-47,000 ounces, in line with FY 2020 production.
- Mining rates are expected to stay at approximately 14,000 tpd ore. Stripping ratio for full year 2021 is expected to be around 1.8:1.0. The strip ratio is expected to range from 1.6:1.0 to 2.0:1.0 over the course of the year. Life of mine stripping ratio, as announced in our resources and reserves update, is 1.66:1.
- Mined ore grade is forecast to be in the range of 0.012 – 0.014 oz/t, slightly lower grades than FY2020.
- Total cash costs per ounce<sup>1</sup> are expected in the range of \$1,050 – \$1,100/oz, Pan Mine AISC<sup>1</sup> in the range of \$1,125 – \$1,175/oz, and Fiore Consolidated AISC<sup>1</sup> in the range of \$1,300 – \$1,350/oz for the full FY 2021. Both cash costs<sup>1</sup> and AISC<sup>1</sup> are expected to drop in Q4 2021 as the stripping ratio decreases in tandem with higher gold production.

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- Total cash costs per ounce<sup>1</sup> and Pan Mine AISC<sup>1</sup> in 2021 are guided higher than 2020 due to the higher stripping ratio (which is moderately higher than the life of mine stripping ratio), increased labor rates in the competitive Nevada marketplace, and increased reagent costs.
- Fiore Consolidated AISC<sup>1</sup> is similarly impacted by the items noted above, as well as an assumed increase in stock-based compensation and corporate G&A, particularly higher Directors and Officers insurance and increased travel and other costs.
- As noted above, Pan resource expansion drilling programs and the phase III heap leach pad are determined to be non-sustaining capital under the WGC guidance as they are major projects materially benefiting the operation. As well, capital expenditure related to Gold Rock will be classified as non-sustaining as it is a "new operation" per the WGC definition. Total non-sustaining capital in 2021 for these three items is guided at approximately \$20.0 million. Pan drilling expenditure is expected to be higher than past years as we have included geotechnical and metallurgical drilling, as well as a broader metallurgical program to characterize the geology of our expanding resource base.

<sup>1</sup>Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

**SELECTED ANNUAL INFORMATION**

(\$000's)	Year Ended September 30,		
	2020	2019	2018
Revenue	\$ 77,913	\$ 53,742	\$ 44,410
Earnings from Operations	19,553	4,574	4,672
Earnings	17,957	2,422	1,127
Earnings per Common Share			
Basic	0.18	0.02	0.01
Diluted	0.18	0.02	0.01
Total Assets	75,770	56,156	43,603
Non-Current Liabilities	7,231	10,279	4,833
Cash Dividends	-	-	-

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**REVIEW OF OPERATING RESULTS**

Operating Results		Three Months Ended September 30,		Year Ended September 30,	
		2020	2019	2020	2019
Ore Mined	(t)	1,424,998	1,210,337	5,475,583	5,081,729
Waste Mined	(t)	1,532,485	2,746,158	8,081,179	8,964,960
Total Mined	(t)	2,957,483	3,956,495	13,556,762	14,046,689
Gold Ounces Mined	(oz)	20,836	16,253	83,742	73,883
Ore Grade Mined	(oz/t)	0.015	0.013	0.015	0.015
Strip Ratio	waste/ore	1.1	2.3	1.5	1.8
Gold Ounces Produced	(oz)	12,432	9,282	46,031	41,491
Gold Ounces Sold (Payable)	(oz)	12,455	9,009	46,334	40,994
Average Realized Price <sup>1</sup>	\$/oz	1,920	1,392	1,681	1,310
Total Cash Costs per Ounce <sup>1</sup>	\$/oz	886	1,017	947	899
Cost of Sales per Ounce <sup>1</sup>	\$/oz	1,043	1,153	1,101	1,019
Pan Mine AISC per Ounce <sup>1</sup>	\$/oz	965	1,093	1,026	961
Fiore Consolidated AISC per Ounce <sup>1</sup>	\$/oz	1,106	1,231	1,148	1,080
Mine, Processing and Site G&A Costs	\$ millions	11.10	11.46	44.30	41.08
Royalties and Treatment/Refining Costs	\$ millions	0.99	0.60	3.25	2.35
Inventory Movements	\$ millions	(1.04)	(2.89)	(3.60)	(6.48)
Total Production Costs	\$ millions	11.05	9.17	43.95	36.95
Sustaining Capital Expenditures <sup>1</sup>	\$ millions	0.37	0.14	0.98	0.63

<sup>1</sup> This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this MD&A for a description of these non-IFRS financial measures and a reconciliation to operating costs from the Company's financial statements.

**Full Year Ended September 30, 2020****Mining**

- During the year ended September 30, 2020, we mined 5,475,583 ore tons, with 2,257,464 ore tons from the South pit and South satellite pits and 3,218,119 ore tons from the North pit and North satellite pits. Our ore mining rate of 14,961 tpd, was well above our planned 14,000 tpd. During 2019, we mined 5,081,729 ore tons at a mining rate of 13,923 ore tpd.
- Pan mined 8,081,179 waste tons leading to a strip ratio of 1.5:1.0 waste tons to ore tons mined. During 2019, 8,964,960 waste tons were mined, at a strip ratio of 1.8:1.0.
- Ore grade mined during the year ended September 30, 2020 was 0.015 gold ounces per ore ton, in line with the mine plan, compared to 0.015 during 2019.

**Processing**

- We mined 5,475,583 ore tons, and 5,456,642 ore tons were placed on the leach pad during the year ended September 30, 2020. We placed 4,544,248 ore tons on the leach pad as crushed ore and the remaining 912,394 were placed and leached as run-of-mine directly on the leach pad. The average ore grade was 0.015 gold ounces per ore ton, resulting in 83,742 contained ounces mined and 83,065 ounces placed. We currently estimate crushed ore recoveries to be 60% on ore from the north pit and north satellite pits and 80% on ore from the south pit and south satellite pits and run-of-mine gold recoveries to be 50% on ore from the north pit and north satellite pits and 75% on ore from the south pit and south satellite pits. Total recoverable ounces mined was 54,703 and 54,254 recoverable ounces placed.



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- We produced 46,031 gold ounces and sold 46,334 gold ounces during the year ended September 30, 2020. During the year ended September 30, 2019, we produced 41,491 gold ounces and sold 40,994 gold ounces. Q1 gold production was impacted by lower gold grades mined during the second half of the 2019 fiscal year, lower than planned ore mining and crusher throughput rates and other operational issues related to the crusher start-up. Gold production over the remainder of the year has been reflective of the increased recoveries we anticipated from the installation of the crushing circuit.

#### Costs – Operations

- Total production costs were \$44.30 million for the year ended September 30, 2020, or \$3.27 per ton mined and \$8.09 per ore ton mined. The year ended September 30, 2019 had total production costs of \$41.08 million, or \$2.92 per ton mined and \$8.08 per ore ton mined. The 8% overall increase in costs is driven by higher processing costs from the addition and operation of our single-stage crusher, which was not operational until Q4 of 2019, which more than offset a 7% decrease in mining costs.
- Total mining costs were \$28.17 million for the year ended September 30, 2020, or \$2.08 per ton mined and \$5.14 per ore ton mined. During the 2019 fiscal year production mining costs were \$30.26 million, or \$2.15 per ton mined and \$5.95 per ore ton mined. The \$2.09 million decrease in mining costs over the 2019 period is due to a lower strip ratio, decreased third-party maintenance costs, increased mining efficiency by our contract miner along with shorter hauls and increased efficiency associated with hauling most of our ore to the crusher stockpiles rather than the leach pad for run-of-mine blending.
- Total processing costs were \$12.10 million for the year ended September 30, 2020, or \$0.89 per ton mined and \$2.21 per ore ton mined. During the year ended September 30, 2019 processing costs were \$7.08 million, or \$0.50 per ton mined and \$1.39 per ore ton mined. The increase in costs is tied directly to the additional operating expense incurred from the single-stage crusher.
- Total mine site administration costs were \$4.03 million for the year ended September 30, 2020, or \$0.30 per ton mined and \$0.74 per ore ton mined. During the year ended September 30, 2019 production mine site administration costs were \$3.74 million, or \$0.27 per ton mined and \$0.74 per ore ton mined. Additional costs during fiscal year 2020 were driven by increased environmental compliance, legal and insurance costs and employee compensation.
- For the year ended September 30, 2020, Pan Mine AISC<sup>1</sup> per ounce sold was \$1,026 and Fiore Consolidated AISC<sup>1</sup> per ounce sold was \$1,148 compared to Pan Mine AISC<sup>1</sup> per ounce sold of \$961 and Fiore Consolidated AISC<sup>1</sup> per ounce sold of \$1,080 for the year ended September 30, 2019. An increase in Pan Mine cash costs<sup>1</sup> and sustaining capital expenditures are the primary factors in the increased Pan Mine and Fiore Consolidated AISC<sup>1</sup>. Mining, Processing and Site G&A costs increased 8% to \$44.30 million during 2020 driven by increased processing costs from the operation of our single-stage crusher. We incurred \$0.98 million of sustaining capital expenditures, compared to \$0.63 million of sustaining capital during 2019.

The Pan Mine resource expansion drilling program and construction of the phase III heap leach pad have been disclosed as sustaining capital expenditures during the first three quarters of this fiscal year. Upon conclusion and review of drilling results, we have determined that costs of the Pan Mine resource expansion drilling program are more appropriately classified as a major project materially benefiting the operation and therefore classified as non-sustaining capital. The phase III heap leach pad is being constructed due to the additional ore added to the Pan Mine reserve from this most recent expansion drilling program and is also more appropriately classified as a major project materially benefiting the operation and therefore classified as non-sustaining capital.

The total costs of the drilling program and phase III heap leach pad during FY 2020 was \$2.34 million and \$0.73 million. Refer to the Non-IFRS Financial Measures at the end of this MD&A for the quarterly impacts for this re-classification through 2020.

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<sup>1</sup>Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

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**Three Months Ended September 30, 2020****Mining**

- During the fourth quarter of 2020, we mined 1,424,998 ore tons, with 605,936 ore tons from the South pit and South satellite pits and 819,062 ore tons from the North pit and North satellite pits. During the fourth quarter our ore mining rate was 15,489 tpd, above our planned 14,000 tpd. During the comparable period of 2019, we mined 1,210,337 ore tons at a mining rate of 13,156 ore tpd.
- Pan mined 1,532,485 waste tons leading to a strip ratio during the fourth quarter of 2020 of 1.1:1.0 waste tons to ore tons mined. The lower strip ratio was part of the mine plan along with positive reconciliation between the mine plan and the geologic model. During the comparable period of 2019, 2,746,158 waste tons were mined at a strip ratio of 2.3:1.0.
- Ore grade mined during the fourth quarter of 2020 was 0.015 gold ounces per ore ton, slightly above mine plan, compared to 0.013 during the same period of 2019. Grade in the fourth quarter of 2020 was higher than expected due to positive ore reconciliation to the resource model.

**Processing**

- We mined 1,424,998 ore tons, and 1,414,903 ore tons were placed on the leach pad during the third quarter of 2020. We placed 1,197,360 ore tons on the leach pad as crushed ore and the remaining 217,543 ore tons were placed directly on the leach pad and leached as run-of-mine. With an average ore grade was 0.015 gold ounces per ore ton, we mined 20,836 contained ounces, which represents a 28% increase over the prior year period. We placed 20,911 contained ounces on the heap leach pad during the quarter. We currently estimate crushed ore recoveries to be 60% on ore from the north pit and north satellite pits and 80% on ore from the south pit and south satellite pits and run-of-mine gold recoveries to be 50% on ore from the north pit and north satellite pits and 75% on ore from the south pit and south satellite pits. Total recoverable ounces mined was 13,828 with 13,881 recoverable ounces placed.
- We produced 12,432 gold ounces and sold 12,455 gold ounces during the fourth quarter of 2020. During the comparable period of 2020, we produced 9,282 gold ounces and sold 9,009 gold ounces. Q4 gold production continued to reflect the increased recoveries we anticipated from the installation of the crushing circuit.

**Costs – Operations**

- Total production costs were \$11.10 million for the fourth quarter of 2020, or \$3.75 per ton mined and \$7.79 per ore ton mined. The fourth quarter of 2019 had total production costs of \$11.46 million, or \$2.90 per ton mined and \$9.47 per ore ton mined. The 3% decrease in costs is tied to a 25% decrease in total tons mined, partially offset by an overall increase in costs from our contract miner. The decrease in mining costs was largely offset by an increase in processing costs due to the operating expense of the single stage-crusher.
- Total mining costs were \$6.70 million for the fourth quarter of 2020, or \$2.27 per ton mined and \$4.71 per ore ton mined. During the fourth quarter of 2019 production mining costs were \$7.91 million, or \$2.00 per ton mined and \$6.53 per ore ton mined. The \$1.21 million decrease in mining costs from the prior year comparable period is due to the 25% decrease in total tons mined at a lower strip ratio, a decrease in third party maintenance costs and decreased commodity prices. In addition, increased efficiency associated with hauling most of our ore to the crusher stockpiles rather than the leach pad for run-of-mine blending aided in reducing mining costs. These cost reductions were offset by a general increase in equipment and labor rates from our contract miner. With fixed costs being spread over fewer tons mined, costs per ton mined is higher than prior year.
- Total processing costs were \$3.32 million for the fourth quarter of 2020, or \$1.12 per ton mined and \$2.33 per ore ton mined. During the fourth quarter of 2019 processing costs were \$2.60 million, or \$0.66 per ton mined and \$2.15 per ore ton mined. The increase in costs is tied directly to the additional operating expense incurred from the single-stage crusher as the crusher was not fully utilized during Q4 2019.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

- Total mine site administration costs were \$1.07 million for the fourth quarter of 2020, or \$0.36 per ton mined and \$0.75 per ore ton mined. During the fourth quarter of 2019 production mine site administration costs were \$0.95 million, or \$0.24 per ton mined and \$0.78 per ore ton mined. The increase in costs during the current quarter was driven by short-term incentive accruals.
- Cash cost per ounce sold for Q4 2020 was \$886 per ounce, a \$131 improvement compared to Q4 2019 at \$1,017 per ounce. The reduction is primarily due to the 25% decrease in total tons mined, leading to the lower strip ratio.
- For the three months ended September 30, 2020, Pan Mine AISC<sup>1</sup> per ounce sold was \$965 and Fiore Consolidated AISC<sup>1</sup> per ounce sold was \$1,106. During the quarter, we incurred approximately \$0.37 million of sustaining capital expenditures. Pan Mine AISC<sup>1</sup> and Fiore Consolidated AISC<sup>1</sup> were reduced by \$51 due to the exclusion of \$0.63 million of non-sustaining capital expenditures related to the Pan Mine resource expansion drilling project and phase III heap leach pad.

**REVIEW OF CONSOLIDATED FINANCIAL RESULTS**

(\$000's)	Three Months Ended September 30,		Year Ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 23,924	\$ 12,549	\$ 77,913	\$ 53,742
Production Costs	(10,103)	(8,623)	(40,843)	(34,755)
Royalties	(949)	(547)	(3,107)	(2,200)
Depreciation and Depletion	(1,942)	(1,213)	(7,059)	(4,820)
Total Operating Costs	\$ (12,994)	\$ (10,383)	\$ (51,009)	\$ (41,775)
Mine Operating Income	10,930	2,166	26,904	11,967
Other Operating Expenses				
Project Exploration	(103)	(1,493)	(1,739)	(2,567)
Consulting Fees	(131)	(51)	(259)	(200)
Depreciation	(61)	(4)	(224)	(19)
Legal, Audit and Accounting	(82)	(100)	(315)	(327)
Office and Administrative	(212)	(232)	(721)	(804)
Salaries and Benefits	(1,122)	(763)	(3,516)	(2,940)
Share Based Compensation	(25)	(40)	(163)	(323)
Travel and Other	(113)	(59)	(414)	(213)
Total Other Operating Expenses	\$ (1,849)	\$ (2,742)	\$ (7,351)	\$ (7,393)
Other Income (Expense)				
Accretion Expense	(61)	(172)	(588)	(722)
Unrealized Gain on Derivatives, net	632	376	490	(310)
Loss on Sale of Mineral Property	-	(587)	(31)	(587)
Foreign Exchange Gain / (Loss)	2	(4)	(1)	(38)
Other Income (Expense)	(56)	(8)	(176)	175
Total	\$ 517	\$ (395)	\$ (306)	\$ (1,482)
Income / (Loss) Before Taxes	9,598	(971)	19,247	3,092
Income and Mining Tax Expense	(255)	1,098	(1,290)	(670)
Net Income / (Loss)	\$ 9,343	\$ 127	\$ 17,957	\$ 2,422

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

(\$000's)	Three Months Ended September 30,		Year Ended September 30,	
	2020	2019	2020	2019
<b>Production Costs</b>				
Mining, Processing and Site G&A Costs	\$ 11,095	\$ 11,457	44,243	40,998
Share Based Compensation in Production Costs	6	(1)	58	81
Selling Expenses	38	56	139	154
Inventory Movements	(1,036)	(2,889)	(3,597)	(6,478)
<b>Total Production Costs</b>	<b>\$ 10,103</b>	<b>\$ 8,623</b>	<b>\$ 40,843</b>	<b>\$ 34,755</b>

(\$000's)	Three Months Ended September 30,		Year Ended September 30,	
	2020	2019	2020	2019
<b>Depreciation and Depletion Expenses</b>				
Depreciation and Depletion	\$ 2,396	\$ 1,758	8,760	\$ 5,978
Inventory Movements - Non-Cash	(454)	(545)	(1,701)	(1,158)
<b>Total Depreciation and Depletion Expenses</b>	<b>\$ 1,942</b>	<b>\$ 1,213</b>	<b>\$ 7,059</b>	<b>\$ 4,820</b>

**Review of financial results for the year ended September 30, 2020 and 2019 (YTD 2020 vs. YTD 2019)***Revenue*

During the year ended September 30, 2020 revenue was \$77.91 million from the sale of 46,334 gold ounces at an average realized gold price of \$1,681 per ounce. During the year ended September 30, 2019 we sold 40,994 gold ounces at an average price of \$1,310 per ounce for revenue of \$53.74 million. The \$24.17 million increase in revenue is 71% due to the higher average realized price with the additional gold ounce sales accounting for 29% of the increase. The gold collar options served to reduce revenue by \$0.42 million during the year ended September 30, 2020. This impact related solely to the first fiscal quarter of the year. There were no remaining gold hedges at the end of the year.

Spot Price per Ounce of Gold	Year Ended September 30,		
	2020	2019	% Change
High	\$ 2,067	\$ 1,546	34%
Low	\$ 1,452	\$ 1,186	22%
Average	\$ 1,673	\$ 1,329	26%
Average Realized Price <sup>1</sup>	\$ 1,681	\$ 1,310	28%

*Production Costs*

Production costs, which comprise the full cost of mine operations, less royalties, for YTD 2020 were \$40.84 million, a \$6.09 million increase over YTD 2019. Production costs during the period were comprised of mining, processing, and site general & administrative costs of \$44.24 million with \$3.60 million of those costs deferred into inventory at the end of the period. Stock based compensation allocated to production costs and selling expenses amounted to an additional \$0.20 million of production costs during the period. The increase in total production costs in YTD 2020 related to longer haul profiles as the pits get deeper, increased rates from our contract miner and increased processing costs from the crusher operations.

For YTD 2019 total production costs were \$34.76 million, comprised of \$41.00 million of mining, processing, and site G&A costs with \$6.48 million of those costs deferred into inventory at the end of the period. Stock based compensation allocated to production costs and selling expenses of \$0.24 million constitute the remainder of the production cost balance for YTD 2019.

See Review of Operating Results section for additional information.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

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*Royalties*

Production royalties are calculated on a sliding scale between 2.5% and 4% based upon gross ounces produced at the average daily London afternoon fixing gold price during the applicable period. During YTD 2020 we recognized \$3.11 million of production royalty expense from the production of 46,031 gross gold ounces at an average daily London afternoon fixing gold price of \$1,673. During YTD 2019 we produced 40,994 gross gold ounces, resulting in \$2.20 million of royalty expense.

*Depreciation and Depletion*

Depreciation and depletion expense for YTD 2020 was \$7.06 million compared to \$4.82 million in YTD 2019. The increase is due to a 13% increase in contained ounces mined in addition to an overall increased depreciable asset base, notably the addition of the primary crusher.

*Exploration Expenditures*

For YTD 2020 exploration expenses were \$1.74 million, \$0.83 million lower than the prior year period. The costs are primarily for the Gold Rock drilling program, completion of the PEA, and Metallurgical testing at Gold Rock, along with development and permitting efforts at Gold Rock and annual claims filing fees for our exploration properties.

During YTD 2020, we refined our existing accounting policy for the capitalization of project costs, specifically evaluation expenditures. Exploration expenditures, which include costs incurred prior to the acquisition of rights to explore and any other costs incurred prior to the positive assessment of economic viability will continue to be expensed. Once economic viability has been assessed and determined to be positive, evaluation expenditures through to technical feasibility and commercial viability of extracting a mineral resource will be capitalized. With the positive PEA results on the Gold Rock project, we began capitalizing Gold Rock evaluation expenditures as of April 1, 2020.

For YTD 2019, \$1.56M of the costs were for the Gold Rock reverse circulation and core drilling programs, along with development and permitting efforts at Gold Rock, annual claims filing fees for our exploration properties and exploration activity and consultants for the Chilean properties.

*Corporate General & Administrative*

General and administrative expense for YTD 2020 was \$5.61 million, \$0.78 million higher compared to the prior year period of \$4.83 million. The increase in costs for the period is due to additional salaries and benefits expenses of \$0.58 million related to compensation adjustments and accruals for the annual incentive plan along with additional depreciation and travel and other expenses. These increased expenses were offset by various decreases, particularly share based compensation and office & administrative.

*Unrealized Gain / Loss on Derivatives, net*

The unrealized gain on derivatives is comprised of changes in the fair value of our gold option collars and warrant derivatives. The change in fair value of our gold option collars during YTD 2020 was a gain of \$0.38 million and a loss of \$0.38 million during YTD 2019. We had outstanding 3,200 short-term zero cost gold collars as of October 1, 2019. The 3,200 gold collars were for ounce deliveries from October 1, 2019 through November 25, 2019 with a floor of \$1,300 per ounce and a ceiling of \$1,350 per ounce. All call options within the collars were exercised by the counterparty during the three months ending December 31, 2019.

Change in the fair value of warrant derivatives for YTD 2020 was a gain of \$0.11 million compared to a gain of \$0.07 million during YTD 2019. We issued 22,214,910 warrants denominated in the Canadian dollar during the year ended September 30, 2017, which resulted in derivative liabilities due to our functional currency being the U.S. dollar. On September 28, 2020, the remaining outstanding balance of 21,300,970 warrants expired unexercised with the outstanding liability extinguished and recognized as a gain during the period. Refer to Note 10 of the consolidated financial statements for further information.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

*Other Expense*

For the year ended September 30, 2020, we recognized net other expense of \$0.80 million compared to \$1.17 million during FY 2019. We recognized a \$0.03 million loss on the sale of our Rio Loa project in Chile while recognizing additional interest expense during the year due to outstanding finance leases. During 2019 we terminated the option agreement for Cerro Tostado leading to the write-off of the mineral property balance by \$0.59 million.

*Income and Mining Tax Expense*

For the year ended September 30, 2020, the Company recorded income and mining tax expense of \$1.29 million, comprised of current tax expense of \$2.10 million and a deferred income tax benefit of \$0.81 million. For the year ended September 30, 2019, the Company recorded income and mining tax expense of \$0.67 million, comprised of \$0.25 million of deferred income tax benefit and \$0.92 million of current mining taxes. Increase in YTD 2020 income tax expense is due to increased taxable income from higher gold production and price.

With proposed amendments of the Nevada Constitution which serve to revise provisions governing the rate of tax upon the net proceeds of minerals extracted in Nevada, there is a risk that our mining taxes could increase, potentially significantly, if these amendments are adopted.

**Review of financial results for the three months ended September 30, 2020 and 2019 (Q4 2020 vs. Q4 2019)***Revenue*

During the three months ended September 30, 2020 revenue was \$23.92 million from the sale of 12,455 gold ounces at an average realized gold price of \$1,920 per ounce. During the three months ended September 30, 2019 we sold 9,009 gold ounces at an average price of \$1,392 per ounce for revenue of \$12.55 million. A portion of the ounces sold in Q4 2019 were hedged. The \$11.37 million increase in revenue is 58% attributed to the higher average realized price and 42% to increased gold ounce sales.

Spot Price per Ounce of Gold	Three Months Ended September 30,			
	2020		2019	
				% Change
High	\$	2,067	\$	1,546 34%
Low	\$	1,771	\$	1,389 28%
Average	\$	1,909	\$	1,472 30%
Average Realized Price <sup>1</sup>	\$	1,920	\$	1,392 38%

*Production Costs*

Production costs, which comprise the full cost of mine operations, less royalties, for Q4 2020 were \$10.10 million, a \$1.48 million increase over Q4 2019. Production costs during the period were comprised of mining, processing, and site general & administrative costs of \$11.10 million, with \$1.04 million of those costs deferred into inventory during the period. Stock based compensation allocated to production costs and selling expenses amounted to an additional \$0.04 million of production costs during the period. For Q4 2019 total production costs were \$8.62 million, comprised of \$11.46 million of mining, processing, and site G&A costs with \$2.89 million of those costs deferred into inventory during the period. Stock based compensation allocated to production costs and selling expenses of \$0.05 million constitute the remainder of the production costs for Q4 2019.

Total Production costs were \$1.48 million higher when compared to Q4 2019 due to additional ounces sold in the period compared to the prior year.

See Review of Operating Results section for additional information.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

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*Royalties*

Production royalties are calculated on a sliding scale between 2.5% and 4% based upon gross ounces produced at the average daily London afternoon fixing gold price during the quarter. During Q4 2020 we recognized \$0.95 million of production royalty expense from the production of 12,432 gross gold ounces at an average daily London afternoon fixing gold price of \$1,909. During Q4 2019 we produced 9,282 gross gold ounces, resulting in \$0.55 million of royalty expense.

*Depreciation and Depletion*

Depreciation and depletion expense for Q4 2020 was \$1.94 million compared to \$1.21 million in Q4 2019. The increase is due to a 28% increase in contained ounces mined in addition to an overall increased depreciable asset base.

*Exploration Expenditures*

For Q4 2020 exploration expenses were \$0.10 million, \$1.39 million lower than the prior year comparative period. The costs were primarily for annual claims filing fees for our exploration properties.

During the year ended September 30, 2020, we refined our existing accounting policy for the capitalization of project costs, specifically evaluation expenditures. Exploration expenditures, which include costs incurred prior to the acquisition of rights to explore and any other costs incurred prior to the positive assessment of economic viability will continue to be expensed. Once economic viability has been assessed and determined to be positive, evaluation expenditures through to technical feasibility and commercial viability of extracting a mineral resource will be capitalized. With the positive PEA results on the Gold Rock project, we began capitalizing Gold Rock evaluation expenditures as of April 1, 2020.

The Q4 2019 costs are associated with the reverse circulation and core drilling program at Gold Rock, along with development and permitting efforts at Gold Rock and annual claims filing fees for our exploration properties.

*Corporate General & Administrative*

General and administrative expense for Q4 2020 was \$1.75 million, \$0.50 million higher compared to the prior year period of \$1.25 million. The increase in costs for the period is primarily due to a true-up of accruals related to the short-term annual incentive plan, in addition to smaller increases within consulting and travel and other expense.

*Unrealized Gain on Derivatives, net*

The unrealized gain on derivatives is comprised of changes in the fair value of our warrant derivatives. Change in the fair value of warrant derivatives for Q4 2020 was a gain of \$0.63 million compared to a gain of \$0.38 million during the comparable period of the prior year period. We issued 22,214,910 warrants denominated in the Canadian dollar during the year ended September 30, 2017, which resulted in derivative liabilities due to our functional currency being the U.S. dollar. On September 28, 2020, the remaining outstanding balance of 21,300,970 warrants expired unexercised with the outstanding liability extinguished and recognized as a gain during the period. Refer to Note 10 of the consolidated financial statements for further information.

*Other Expense*

For the three months ended September 30, 2020, we recognized net other expense of \$0.12 million compared to \$0.77 million during the prior year comparable period. During Q4 2019, we wrote off the Cerro Tostado exploration project by \$0.59 million. There were no impairments or write-offs during the current period.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

*Income and Mining Tax Expense*

Mining taxes are taxes on production and proceeds from sales as levied by the States in which we operate, calculated from gross proceeds on sales less allowable deductions.

For the three months ended September 30, 2020, the Company recorded income and mining tax expense of \$0.26 million, comprised of \$1.07 million of current income and mining taxes and \$0.81 million of income tax benefit. For the three months ended September 30, 2019, the Company recorded an income and mining tax benefit of \$1.10 million, comprised of \$1.19 million of deferred income tax benefit and \$0.09 million of current mining taxes.

**SUMMARY OF QUARTERLY HIGHLIGHTS**

The following table summarizes selected quarterly unaudited financial information for the last eight quarters.

(\$000's, except per share and ounce data)	FY 2020				FY 2019			
	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Gold Ounces Produced	12,432	12,764	12,085	8,750	9,282	11,685	10,759	9,765
Gold Ounces Sold (payable)	12,455	12,761	12,026	9,093	9,009	11,504	10,737	9,744
Average Realized Gold Price (\$/oz)	\$ 1,920	\$ 1,720	\$ 1,576	\$ 1,437	\$ 1,392	\$ 1,318	\$ 1,305	\$ 1,232
Revenues	\$ 23,924	\$ 21,959	\$ 18,956	\$ 13,074	\$ 12,549	\$ 15,162	\$ 14,010	\$ 12,005
Total Operating Costs	\$ (14,843)	\$ (15,451)	\$ (15,440)	\$ (12,625)	\$ (13,125)	\$ (14,188)	\$ (11,460)	\$ (10,378)
Income (Loss) from Operations	\$ 9,081	\$ 6,508	\$ 3,516	\$ 449	\$ (576)	\$ 974	\$ 2,550	\$ 1,627
Net Income (Loss)	\$ 9,343	\$ 5,136	\$ 2,889	\$ 589	\$ 127	\$ (463)	\$ 1,995	\$ 764
Adjusted Net Earnings <sup>1</sup>	\$ 8,709	\$ 5,712	\$ 2,890	\$ 189	\$ 342	\$ 355	\$ 1,678	\$ 983
Income (Loss) per Common Share								
Basic	\$ 0.10	\$ 0.05	\$ 0.03	\$ 0.01	\$ 0.00	\$ (0.00)	\$ 0.02	\$ 0.01
Diluted	\$ 0.09	\$ 0.05	\$ 0.03	\$ 0.01	\$ 0.00	\$ (0.00)	\$ 0.02	\$ 0.01
Weighted Average Shares Outstanding								
Basic	98,289	98,047	97,988	97,819	97,733	97,716	97,716	97,716
Diluted	105,321	101,648	101,141	100,984	100,870	97,716	99,304	98,074
Operating Activities Net Cash Flow	\$ 9,883	\$ 10,457	\$ 3,879	\$ 88	\$ (1,756)	\$ 2,444	\$ 2,872	\$ 905
Pan Mine Operating Activities Net Cash Flow <sup>1</sup>	\$ 11,412	\$ 11,793	\$ 5,959	\$ 2,516	\$ 633	\$ 3,120	\$ 3,672	\$ 2,604
Fiore Consolidated AISC per Ounce <sup>1</sup>	\$ 1,106	\$ 1,128	\$ 1,135	\$ 1,248	\$ 1,231	\$ 1,120	\$ 986	\$ 995
Pan Mine AISC per Ounce <sup>1</sup>	\$ 965	\$ 1,010	\$ 1,038	\$ 1,115	\$ 1,093	\$ 985	\$ 899	\$ 882
Average Daily Mining Rate (ore tons)	15,489	14,877	14,177	15,290	13,156	14,114	13,211	15,196

<sup>1</sup>Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

The fourth quarter of 2020 was another very successful quarter with gold production of 12,432 ounces, revenue of \$23.92 million, a mine operating margin of 46% and consolidated operating cash flow of \$9.88 million. Although gold production was a slight decrease from Q3, the average realized gold price increased by \$200 per ounce to \$1,920, leading to record revenue of \$23.92 million. The average daily ore ton mining rate of 15,489 was the highest quarter of the year and attributable to a lower strip ratio at 1.1 resulting from a positive ore reconciliation. The ore grade mined was at 0.015 ounces per ton, leading to 20,836 contained ounces mined. Overall, mine, processing and site G&A costs were up slightly compared to prior quarters of fiscal year 2020, partially due to a true-up of the short-term incentive accrual, however cash costs per ounce continued to decrease to \$886 from \$916 during Q3. Investing activities were up substantially during the quarter, where we incurred \$3.85 million, primarily related to the commencement of a drilling and evaluation program at Gold Rock.



**Fiore Gold Ltd.**

## Management's Discussion and Analysis

For the year ending September 30, 2020

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The third quarter of 2020 was the second successive quarter of record gold production with 12,764 ounces produced, record revenue of \$21.96 million and record operating cash flow with \$10.46 million generated. Revenue was recognized at an average gold price per ounce of \$1,720, all sales unhedged. We realized a mining cost per ton of \$1.96, which was driven by operating efficiencies of our contract miner, along with lower diesel and contract maintenance costs. With mining costs down and increased ounce production, cash costs per ounce sold saw a strong improvement down to \$916, compared to \$928 during Q2 2020, along with cost of sales per ounce sold of \$1,070 led to a 38% mine operating income margin. We are continuing to generate more than sufficient cash flow to fund our internal growth initiatives, including a 70,000+ foot drilling program at our Pan Mine aimed at extending mine life, completion of the PEA at Gold Rock and the commencement of a large evaluation program leading to an FS at Gold Rock.

The second quarter of 2020 generated revenue of \$18.96 million, which was driven by gold production of 12,085 ounces and an average realized price per ounce of \$1,576. With mining costs at \$2.01 per ton mined and total production costs of \$3.04 per ton mined, we were able to achieve a strong 28% mine operating income margin, while generating operating income of \$3.52 million and operating cash flow of \$3.88 million. Our strip ratio remained in line with our current LOM expectations of 1.6:1.0. We continued to internally fund growth initiatives as we concluded the Gold Rock drilling program, announced results from the PEA and began additional metallurgical programs aimed at better understanding the resource and improving the project economics. We also continued the Pan development drilling program, which re-started during Q1, where we have drilled 14,450 meters (47,410 feet).

The first quarter of 2020 showed significant progress in our transition plan at the Pan Mine to optimize crushing and leaching processes. This work will be ongoing for the foreseeable future as we strive to continuously improve the productivity of the system and to optimize gold recovery. Gold production remained below expectations coming out of Q4 2019 and into October and November with increases back to expected levels during December. The Pan Mine's cost profile remained consistent from the previous quarter, but operating cash flow was hampered by the lagging gold production. Operating cash flow during the quarter was a positive \$0.09 million, a \$1.84 million increase over Q4 2019, primarily supplemented by the increased gold price environment, runoff of the outstanding gold collars at the tail end of November and conclusion of the Gold Rock drilling program. We incurred approximately \$0.49 million of Gold Rock drilling and metallurgical costs during the quarter, down from \$1.2 million during Q4 2019.

The fourth quarter of 2019 saw our focus shift towards some long-term growth priorities. These included continued work to optimize the new single-stage crusher at Pan to have it running as efficiently and effectively as possible to increase gold recoveries going forward. Increased waste mining which led to a strip ratio of 2.3:1.0 during the quarter allowing us improved access to ore and our Gold Rock and Pan resource expansion drilling programs are also aimed at near-term growth. We spent approximately \$1.2 million on the Gold Rock drilling program during the quarter and \$0.11 million on the start of the Pan drilling program. Gold production and sales during the quarter were down compared to prior quarters, which was partially offset by the increased gold price, leading to revenue of \$12.55 million and mine operating income of \$2.17 million. With the above-mentioned drilling programs, along with higher stripping and lower grade ore, we recognized a \$0.58 million loss from operations. Operating cash flows were also down this quarter to a \$1.76 million use, driven by all these factors.

The third quarter of 2019 marked a new record high in gold ounces produced, gold ounces sold and revenue to date. Revenue of \$15.16 million was generated from the sale of 11,504 gold ounces at an average realized price of \$1,318 per ounce. The strip ratio during the quarter was slightly above the LOM strip ratio at 1.6:1.0 waste tons to ore tons mined, leading to higher mining costs of \$7.76 million. The successive quarters of increased stripping have led to a higher cash costs per ounce, up to \$928 this quarter, resulting in a lower profit margin on revenue. We also incurred additional exploration expenses due to the commencement of a drilling program at Gold Rock, an approximate \$1.0 million accrual for the Company-wide annual incentive plan based upon performance and metrics of the Company through three quarters and a \$0.76 million loss on the fair value of the outstanding gold collars as of June 30, 2019. These factors have led to \$0.46 million net loss and adjusted net earnings of \$0.36 million during the quarter, despite generating \$2.44 million of positive operating cash flow.

The second quarter of 2019 marked our highest quarter of gold ounces sold as of that point in time with 10,737, Q3 2018 being the next closest with 10,584. Revenue for the quarter was \$14.01 million, also marking our highest revenue generating quarter to date. Revenue was 17% higher than Q1 2019 and 22% higher than Q2 of 2018. We recognized a 26% gross margin on revenue based upon cost of sales per gold ounce sold of \$961. We recognized income from operations of \$2.55 million and net income of \$2.00 million. The strip ratio increased slightly over the previous quarter to 1.6:1.0 waste tons to ore tons mined, while mining costs were down slightly to \$7.26 million.

## **Fiore Gold Ltd.**

### **Management's Discussion and Analysis**

For the year ending September 30, 2020

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The first quarter of 2019 saw gold sales increase by \$1.18 million over the prior quarter and \$3.75 million over the prior year comparable period. Gold sales of 9,744 ounces at an average realized price of \$1,232 per gold ounce was a 9% increase in production and a 11% increase in overall revenue from Q4 2018 which saw 8,964 gold ounces sold at \$1,208 per ounce. The strip ratio during the quarter increased to 1.5:1.0 waste tons to ore tons mined, which resulted in production mining costs of \$7.33 million. Mine operating income of \$3.03 million, 25% of revenue during the period, was the result of cost of sales per ounce sold of \$921 on the 9,744 ounces sold during the quarter. We generated \$0.91 million of operating cash flow and net income of \$0.76 million.

## **OVERVIEW OF PROPERTIES**

### **Pan**

#### *Description of the Project*

Pan is situated in the northern portion of the Pancake Range in White Pine County, Nevada, 22 miles southeast of the town of Eureka and 50 miles west of Ely. The project is an open pit, heap leach project exploiting a Carlin-style sediment hosted gold deposit. The project area encompasses approximately 10,673 acres. Gold deposits at Pan are interpreted to be a Carlin-style, sediment-hosted, disseminated gold deposit within Devonian and Mississippian sedimentary units.

The Pan gold deposit contains mineralization at or near the surface and spatially distributed in a manner that is appropriate for open pit mining methods. Hydrothermal Breccias developed along the Branham fault are the primary host of gold mineralization. Argillic (clayey) alteration and silicification are the dominant alteration types associated with gold. At North Pan, gold mineralization is primarily hosted by silicified breccia in the Pilot Formation. At South Pan, gold occurs primarily in argillic altered breccia in the Devils Gate Formation and Pilot Shale. Gold mineralization also occurs as stratiform mineralization away from the breccias primarily localized at the Pilot Shale-Devil's Gate Limestone contact.

#### *Project Development*

Since acquiring Pan, we have conducted three developmental drilling programs and correspondingly providing updates of our mineral resources and reserves. Within our process operations, we have developed and implemented new processing practices to address metallurgical characteristics of the Pan ores and developed new grade reconciliation practices. We have also designed and implemented capital improvements, including construction of the phase II heap leach pad during FY2018 and phase III heap leach pad currently in construction, hired experienced operations staff, increased mining operations to a steady rate of 14,000 ore tons per day and installed and optimized a single stage crushing circuit to improve gold recoveries.

The primary crushing circuit was commissioned during FY2019. Rocky and clay-rich ore is stockpiled near the crusher and fed to the primary crusher dump hopper at the currently required blend ratio. The ore is fed and separated by a grizzly feeder with +4" material going through the primary jaw crusher and the undersize bypassing primary crushing. After the crushed ore is combined with the minus 4" bypassed ore, cement is added for pH control and agglomeration. Barren solution is utilized for agglomeration water and dust suppression at each conveyor transfer point. The crushed and blended ore is stockpiled using a radial stacker. A loader and trucks move material from the crushed stockpile to the cells before applying leach solution. At a projected ore mining and crushing rate of 14,000 tons per day, the crushing circuit would be expected to produce an estimated 6,000-7,000 additional gold ounces per year.

In light of the COVID-19 pandemic, we have taken a number of precautions to reduce the risk to our Pan Mine personnel including significantly curtailing all work-related travel, other than travel to and from the mine-site, reduced visitors and non-essential consultants and contractors, isolating delivery drivers, reducing personal contact between onsite employees and contractors, senior staff working from home on a rotational basis and additional cleaning and sterilization measures. The Company also instituted a temporary increase in paid medical leave to ensure that employees can remain home if they or family members are unwell. As of the date of this report, the Pan Mine continues to operate with minimal disruptions due to the pandemic.

#### *Resources and Reserves*

An updated resource estimate released in late 2018 showed almost complete replacement of Measured and Indicated resources mined in the 19 months since declaring commercial production, and significant growth in Inferred resources even after allowing for mining depletion. Subsequently in early 2019 we reported an updated Proven and Probable mineral reserves of 18.5 million tons at a gold grade of 0.015 oz/st (0.51 g/t) containing 275,600 ounces of gold.

## Fiore Gold Ltd.

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During fiscal year 2020 we completed our third development drilling program of approximately 21,741-meters (71,330 feet). The drilling was aimed at further increasing the reserve base by targeting conversion Inferred resources that exist within and adjacent to the existing reserve pits. The results from this drilling program have been incorporated into an updated reserve, resource and life of mine plan. The updated life of mine plan based on the updated reserve estimate extends the mine life by two years into 2025 at a mine rate of 14,000 ore tons per day, with a strip ratio of 1.7:1.0. The Proven and Probable mineral reserves of 24.0 million tons at a gold grade of 0.012 ounces per ton contains approximately 290,500 gold ounces, while the Measured and Indicated resource of 31.1 million tons at a gold grade of 0.014 ounces per ton contains approximately 427,000 gold ounces. The difference in resource grade versus reserve grade is a result of dilution incorporated in the engineered pit design that constrains the reserve estimate.

#### Pan Mine Reserve Statement (effective June 30, 2020)

Classification	Ore (kt)	Au Grade (oz/t)	Au Metal (koz)
Proven	11,426	0.014	158.3
Probable	12,031	0.011	132.2
<b>Proven and Probable</b>	<b>23,457</b>	<b>0.012</b>	<b>290.5</b>

- Reserves stated in the table above are contained within an engineered pit design following the US\$1,575/oz Au sales price Lerchs-Grossmann pit. Date of topography is June 30, 2020;
- In the table above and subsequent text, the abbreviation "st" denotes US short tons;
- Costs used include an ore mining cost of US\$2.09/st, a waste mining cost of \$1.97/st, an ore processing and G&A cost of US\$3.13/st;
- Reserves for Argillic (soft) ore are based upon a minimum 0.003 oz/st Au internal cut off grade ("CoG"), using a US\$1,575/oz-Au sales price and an Au Recovery of 80%;
- Reserves for Silicic (hard) ore are based upon a minimum 0.004 oz/st Au Internal CoG, using a US\$1,575/oz-Au sales price and an Au Recovery of 60%;
- Mineral Reserves stated above are contained within and are not additional to the Mineral Resource; and,
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

Gold prices have increased significantly from the \$1,250/oz level used in the previous reserve update in 2018 and we have reflected this increase in the \$1,575/oz gold price used in the 2020 reserve update. Using a higher gold price naturally pulls in some areas of lower grade ore which in turn results in a lower average grade for the reserve estimate than in the previous 2018 reserve estimate. The grade reduction is not expected to materially impact run-rate production in fiscal 2021.

#### Pan Mine Resource Statement (effective June 30, 2020)

Classification	Ore (kt)	Au Grade (oz/t)	Au Metal (koz)
Measured	11,416	0.015	175
Indicated	19,714	0.013	252
<b>Measured and Indicated</b>	<b>31,130</b>	<b>0.014</b>	<b>427</b>
Inferred	3,726	0.016	61

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into Mineral Reserves;
- In the table above and subsequent text, the abbreviation "st" denotes US short tons;
- Resources stated as contained within a constrained pit shell; pit optimization was based on an assumed gold price of US\$1,700/oz, Silicic (hard) ore recoveries of 60% for Au and an Argillic (soft) ore recovery of 80% for Au, an ore mining cost of US\$2.09/st, a waste mining cost of \$1.97/st, an ore processing and G&A cost of US\$3.13/st, and pit slopes between 45-50 degrees;
- Resources are reported using an internal gold cut off grade of 0.003 oz/st Au for blocks flagged as Argillic altered or as unaltered and a cutoff of 0.004 oz/st Au for blocks flagged as Silicic altered.; and,
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

The updated Pan Mineral Resource Estimate ("MRE") estimate was carried out by Apex Geoscience Ltd. ("APEX") as part of an updated Feasibility Study led by SRK Consulting (U.S.) Inc. ("SRK"), the same firm who completed the February 2017 Pan Mine Feasibility Study.

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## **Gold Rock**

### *History of the Property*

We have controlled the property since May 2016 through acquisition of ownership of unpatented mining claims administered by the BLM and through leases of mining claims.

### *Description of the Project*

The Gold Rock deposit is a Carlin-style, sediment-hosted, disseminated gold-only deposit within Mississippian limestone and siltstone units, namely the Joana Limestone and the overlying Chainman Shale. Mineralization at Gold Rock is localized in the apex and limbs of the slightly overturned, fault-bounded Easy Junior anticline. The primary host is the Joana Limestone, but significant mineralization is also hosted in the overlying Chainman Shale. Scattered, minor mineralization also occurs in the underlying Pilot Shale formation. The currently identified resource occupies a N12E to N15E trend and has a strike length of over 11,000 feet. Altered bedrock and surface gold anomalies extend well beyond the mineralization envelope defined by drilling to the north and the south, extending nearly the entire 8-mile length of the property.

Mapping and surface sampling have identified at least nine areas where geology alternation and surface geochemical signature create recognizable drill targets, creating the significant possibility of finding new ore bodies to greatly expand the scale of resources on the property. The lithology, alteration, and mineralization of the Gold Rock deposit are similar to other sediment-hosted Carlin-type systems such as Alligator Ridge, Bald Mountain, Rain, and Pan.

Gold Rock currently hosts an Indicated resource of 403,000 gold ounces (19.0 million tonnes at 0.66 g/t gold) and an Inferred resource of 84,300 gold ounces (2.7 million tonnes at 0.87 g/t gold) at a cut-off grade of 0.003 opt / 0.09 gpt gold that is based on a gold price of \$1,500 per ounce. The mineral resource is centered around the former Easy Junior open pit mine and covers approximately 3.1 km of a 16.5 km-long trend of prospective geology, structure, and alteration with pervasive gold and pathfinder element anomalies in soil and rock samples. The resource at Gold Rock is of approximately 60% higher grade than Fiore's Pan Mine.

### *Permitting*

The BLM completed and published the Final Gold Rock Environmental Impact Statement for the Gold Rock Mine Project on July 27, 2018 ("FEIS"). The BLM had previously conducted public scoping in September 2013 and published the Draft Environmental Impact Statement in February 2015. The Record of Decision ("ROD") on the FEIS was issued by the BLM on September 21, 2018, completing the federal National Environmental Policy Act ("NEPA") permitting process for construction of a mine.

Exploration activities are currently permitted to continue anywhere within the claim boundary at the Gold Rock property. The proposed mine project described in the FEIS involves expansion of an existing open pit and construction of two waste rock disposal areas, a heap leaching facility with an adsorption/desorption refining plant, a mill, a carbon-in-leach plant, a tailings storage facility, roads, ancillary support facilities, and exploration areas. A 69kV power line would be built and tied into an existing power line for the Pan Mine located 8 km northwest of the project area. Water, for which we have applied for rights, would be supplied via an existing well located on BLM administered lands south of the main project mining footprint. Construction and mining operations would occur within the fenced 8,757 acres and would disturb 3,946 acres. The proposed action also includes 392 acres of authorized exploration disturbance. A reclamation plan and bonding are part of the proposed plan of operations. Exploration will continue for a minimum of two years. Engineering design and state permitting will proceed for the project when data is available for these efforts to be performed efficiently. State permitting is anticipated to require approximately one year.

Looking forward, it is anticipated the resource will grow and be better defined at Gold Rock through continued exploration. The Plan of Operations, which has evolved through the NEPA process, anticipates future growth and will include the BLM's Preferred Alternative. With the publication of the Final EIS, no major hurdles for the completion of permitting are anticipated.

Copies of the ROD, FEIS and other documents pertinent to this project may be examined at the BLM's Bristlecone Field Office: 702 North Industrial Way, Ely, Nevada. The document is available for download on the internet at: <http://on.doi.gov/1zAxyW9>.

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Four individuals and an organization identified as Wild Horse Education (collectively, "Appellants") submitted an appeal with the United States Department of the Interior's Office of Hearings and Appeals, Interior Board of Land Appeals ("IBLA") and petition to stay the effect of the September 21, 2018 ROD issued by the BLM approving the Gold Rock Mine project.

On July 17, 2019, the IBLA issued an order dismissing the appeal of two of the Appellants, who submitted the purported appeal and, on August 6, 2019, the IBLA issued an order dismissing the remaining Appellant's appeal and denying their petition for stay.

#### *Project Development*

During July of 2020 we commenced a program of resource expansion and metallurgical drilling in support of a Feasibility Study ("FS"). Overall, the drilling program consists of a mix of HQ and PQ diamond core holes, as well as RC and sonic holes. Total footage for this phase of the drilling program will be expected to be approximately 60,000-meters (198,000 feet), with approximately 35,000-meters (115,000 feet) focused on resource expansion to add Measured and Indicated resources for inclusion in the FS.

Subsequent to year-end, we announced results of the first 62 holes of RC drilling, which covered approximately 13,700 metres (45,000 feet). The results shown within the news release dated November 24, 2020 show strong, consistent mineralization and excellent opportunities to expand the resource envelope going into the FS. Work on the FS is progressing well with the large diameter metallurgical core holes completed and in the process of being logged before being delivered to the metallurgical lab for further testing. The first round of HQ core holes has also been completed, including detailed geotechnical logging, with geological logging and sampling underway. Several exploration holes have also been drilled at the Jasperoid Creek target approximately 1.05 miles (1.7 km) north of the former Easy Junior pit.

We have been seeing longer than normal wait times for assays as the labs deal with COVID-19 protocols, so we plan to take a short break from drilling at Gold Rock to allow the assay lab to catch up. Drilling completed to date as part of the current program at Gold Rock includes approximately 105 RC holes, 20 HQ core holes, and 15 PQ metallurgical core holes.

Highlights from the sixty-two holes reported include:

- 48.8 m of 2.17 g/t gold in hole GR20-009
- 16.8 m of 1.12 g/t gold in hole GR20-021
- 41.2 m of 0.97 g/t gold in hole GR20-027
- 19.8 m of 1.10 g/t gold in hole GR20-029
- 33.5 m of 0.89 g/t gold in hole GR20-036
- 19.8 m of 1.38 g/t gold in hole GR20-038
- 32.0 m of 1.41 g/t gold in hole GR20-049
- 18.3 m of 1.16 g/t gold in hole GR20-051
- 18.3 m of 1.19 g/t gold in hole GR20-065
- 38.1 m of 1.11 g/t gold in hole GR20-068

Results of the PEA were announced on April 9<sup>th</sup>, with the full PEA report filed on May 13<sup>th</sup>, provides an updated Mineral Resource Estimate ("MRE") and a base case assessment of developing the Project as a satellite open pit operation that will share significant infrastructure and management with the adjacent Pan Mine. The PEA also identifies a considerable number of opportunities to enhance the project economics as Gold Rock advances to the Feasibility stage by drilling to increase the mineral resource, further metallurgical testing aimed at improving recoveries, and geotechnical drilling aimed at reducing the stripping ratio. Highlights from the PEA include:

- Pre-tax NPV5% of \$49.7M and a 22.8% IRR (after-tax NPV 5% of \$32.8M and a 17.8% IRR) at base case gold price of \$1,400/oz Au, with a LOM cash flow of \$77.2M
- At \$1,500/oz Au the Project returns a pre-tax NPV 5% of \$78.3M and a 31.5% IRR (after-tax NPV 5% of \$55.0M and a 25.4% IRR), with a LOM cash flow of \$113.1M
- Based on a sensitivity analysis at \$1,600/oz Au Gold Rock returns a pre-tax NPV 5% of \$106.8 and a 39.7% IRR (after-tax NPV 5% of \$77.2M and a 32.5% IRR), with a LOM cash flow of \$149.0M
- The updated resource estimate shows a 69% increase in Indicated resource to 403,000 gold ounces, in addition to the Inferred resource of 84,300 gold ounces, with excellent potential to grow the resource with the next phase of planned drilling

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### **Management's Discussion and Analysis**

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- Mine life of 6.5 years with LOM total gold production of 362,750 oz, averaging 55,800 oz annually
- LOM cash costs of US\$903/oz Au and LOM AISC of \$1,008/oz Au
- Pre-production capital expenditures of \$64.6 million, sustaining capital expenditures of \$7 million and reclamation costs of \$16 million.

The PEA demonstrates that Gold Rock has the potential to become an economically viable project. Additional opportunities to enhance project value and next steps include:

- Further drilling between the currently defined pits to potentially add resources that may merge the pits and reduce the overall strip ratio. Previous attempts to drill this area were complicated by having to avoid the decommissioned leach pad from the former Easy Jr mine. We have since received permission to drill through the pad and will be targeting this area in our next drilling program.
- Additional drilling along strike and on parallel structures to additionally grow the resource base. The current resource occupies only about 3 km of a more than 16 km long trend of favorable geology, structure, and alteration with superimposed gold and pathfinder element anomalies.
- Geotechnical drilling and testing to optimize pit slope designs. This is an area of significant potential value enhancement, with every degree of pit wall steepening resulting in a material reduction in stripping and a corresponding improvement in project economics.
- Additional metallurgical testing on existing and pending large diameter core to further refine process flowsheet and potentially reduce reagent consumption.
- Further optimization of the methods for waste stripping, taking advantage of the fact that most of the waste is external to the mineral resource. The review of waste mining options will include in-pit crushing and conveying, larger loading and hauling equipment, and other options to increase mining efficiency.

## **Golden Eagle Property**

### *History of the Property*

The Golden Eagle Project is in the Republic/Eureka Mining District of eastern Washington where gold production over the last 130 years has been estimated to total over 4 million ounces from small open pit mines and principally from high grade underground narrow vein deposits. Mining began in the district in 1896 following the opening of Colville Indian Reservation to mineral entry. In March of 1896, the Mountain Lion Claim was located on the present-day Golden Eagle Project site. Exploration and mining in the vicinity of the Golden Eagle deposit has occurred intermittently since that time.

The Golden Eagle property is located in Washington State's Ferry County, approximately three miles north-northwest of the town of Republic, Washington. The Golden Eagle Project site encompasses an area of approximately 339.56 acres. The mining claims are governed by the laws and regulations of the U.S. Department of the Interior, BLM and Ferry County, Washington. To maintain all of the mining claims we must pay annual maintenance fees to the BLM and Ferry County, Washington. Portions of the Golden Eagle property are subject to a production royalty of 2% or 2.75% Net Smelter Returns.

### *Project Description*

The Golden Eagle deposit likely formed as a portion of an epithermal system that brought hot, metal-laden fluids from depth through the fracture systems of the Republic graben. The discrete veins of the adjacent Knob Hill, Mountain Lion and JO#3 systems may represent fluids moving upwards in deeper fractures, while the larger volume, lower grade breccias of the Golden Eagle deposit may represent the near surface portion of a hot springs system.

The Golden Eagle deposit trends N80E, with a strike length of approximately 2,500 feet, variable width up to approximately 1,000 feet, and depth of approximately 2,000 feet. Mineralization occurs at the surface on the west and southwest of the deposit and plunges between 15° to 20° under post-mineralization cover to the east and north. The deposit has a well-defined shape, possibly as the result of post-mineral faulting.

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### **Management's Discussion and Analysis**

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#### *Project Development*

The Golden Eagle mineralization appears to be of sufficient quality and quantity to support further drilling, metallurgical testing, and development work to begin a serious study of developing a mine at the property. Future work necessary to progress towards mine development includes:

- Core drilling to confirm historic drill holes and improve historical resources as well as provide samples for metallurgical studies and geotechnical data for mine design.
- Additional metallurgical studies to refine and optimize the process flow sheet, and
- Initiating permit work by starting baseline studies and developing the social license in the mining community of Republic Washington.

On May 19<sup>th</sup>, 2020, we announced the results of an updated measured and indicated MRE for the Golden Eagle project of 2.0 million ounces. The updated Golden Eagle mineral resource estimate was based solely on the available historical data and is intended to provide a baseline from which to continue developing the project.

The resource is reported within an economic pit shell to ensure reasonable prospects for eventual economic extraction. All of the mineralization comprised in the mineral resource estimate for the Golden Eagle Project is contained on mineral titles controlled by Fiore. The mineral resource estimate, however, assumes that the south and north walls of the pit used to demonstrate reasonable prospects for eventual economic extraction extends onto lands where mineral title is held by Hecla Mining Company (the "Adjacent Owner") and that waste would be mined on the Adjacent Owner's mineral titles. Any potential development of the Golden Eagle Project that includes an open pit encompassing the entire mineral resource estimate would be dependent on obtaining an agreement with the Adjacent Owner. It is estimated that approximately 30% of the mineral resource estimate is dependent on an agreement being obtained with the Adjacent Owner. Delays in, or failure to obtain, an agreement with the Adjacent Owner to conduct mining operations on its mineral titles would affect the development of a significant portion of the mineral resources of the Golden Eagle Project that are not included in the Mineral Resource Estimate, in particular by limiting access to significant mineralized material at depth. Fiore intends to seek an agreement with the Adjacent Owner to maximize the potential to develop a mine that exploits the full mineral resource.

The full technical report entitled "Mineral Resource Estimate NI 43-101 Technical Report Golden Eagle Project", which is dated May 19, 2020 with an effective date of March 31, 2020 was filed on June 25<sup>th</sup> and is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.fioregold.com](http://www.fioregold.com).

#### **Río Loa**

Río Loa is an early stage exploration project in Chile. During February 2020 we entered into an agreement with a private Chilean company to assign all of our obligations under the Río Loa Option Agreement for consideration of \$0.05 million and contingent consideration of \$0.15 million over a three-year period. The contingent consideration of \$0.15 million is dependent upon the third party exercising the option during 2021. If the 2021 option is not exercised, the Río Loa Option Agreement would return to us at that time.

#### **HEALTH AND SAFETY**

We strive to achieve excellent mine safety and health performance. We seek to implement this goal by training employees in safe work practices; establishing, following and improving safety standards; investigating all accidents and incidents to avoid recurrence; involving employees in the establishment of safety standards; and participating in the National Mining Association's CORESafety program. Our operations team has received the Small Mine Safety Award from the Nevada Mining Association for five consecutive years from 2015 through 2019. We attempt to implement reasonable best practices with respect to mine safety and emergency preparedness. We address issues identified in its investigations and inspections and continuously evaluate our safety practices.

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**FINANCIAL CONDITION REVIEW****Summary Balance Sheet**

<b>(\$000's)</b>	<b>September 30, 2020</b>		<b>September 30, 2019</b>	
Cash and Cash Equivalents	\$	23,207	\$	7,280
Inventories		26,256		20,886
Mineral Property, Plant and Equipment, net		11,412		18,764
Reclamation Deposits		6,510		6,450
Other Assets		8,385		2,776
<b>Total Assets</b>	<b>\$</b>	<b>75,770</b>	<b>\$</b>	<b>56,156</b>
Current Liabilities	\$	10,743	\$	6,558
Accrued Reclamation and Remediation		5,843		8,179
Other Long Term Liabilities		1,388		2,100
<b>Total Liabilities</b>	<b>\$</b>	<b>17,974</b>	<b>\$</b>	<b>16,837</b>
Total Equity	\$	57,796	\$	39,319
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>75,770</b>	<b>\$</b>	<b>56,156</b>

**Balance Sheet Review***Cash and Cash Equivalents*

Our cash balance as of September 30, 2020 was \$23.21 million, a \$15.93 million increase from September 30, 2019. Strong gold production along with higher gold prices has driven the increase in our cash balance, even though we continue to invest in exploration and evaluation expenditures at Gold Rock and developmental drilling at Pan. Operating activities provided \$24.31 million of cash flow, while \$7.20 million was used through investing activities and \$1.18 million was used through financing activities. Refer to the Cash Flow Review for additional cash flow details.

*Inventories*

Stockpiles, leach pad and finished goods inventory were carried at a cost of \$25.72 million as of September 30, 2020, compared to \$20.43 million as of September 30, 2019. Stockpile and heap leach inventories consisted of 27,360 estimated recoverable ounces at an average carrying cost of \$937 per ounce, down from an average carrying cost of \$1,066 per ounce for the 18,694 estimated recoverable ounces as of September 30, 2019. With ore grades slightly above the mine plan and life-of-mine average for 2020, 54,665 payable recoverable ounces have been mined into inventory. Lower ore grades mined from previous quarters and a slower than expected crusher ramp-up negatively impacted gold production for the first two months of the fiscal year, in addition to positive ore reconciliation and above mine plan ore grades mined, have contributed to the 8,666-ounce increase in inventory.

*Current Liabilities*

The current liabilities balance of \$10.74 million as of September 30, 2020 is a \$4.19 million increase over the September 30, 2019 balance of \$6.56 million. The increase is driven by a \$2.76 million increase within accounts payable and accrued liabilities due to additional exploration activities at Gold Rock, variations in timing of operational payments and optimization of terms on our production royalty payments. We have also improved our payment terms with primary vendors, including those who we were previously prepaying, based on our credit and operating history. Accrued income and mining taxes has also increased by \$1.40 million due to increased revenue from gold production and gold prices.



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## Management's Discussion and Analysis

For the year ending September 30, 2020

**Summary Cash Flow**

(US\$000's)	Three Months Ended September 30,		Year Ended September 30,	
	2020	2019	2020	2019
Net Income (Loss)	\$ 9,343	\$ 127	\$ 17,957	\$ 2,422
Net Non-Cash Adjustments	1,730	354	8,292	6,585
Net Change in Non-Cash Working Capital	(1,190)	(2,237)	(1,942)	(4,542)
Net Operating Activities	9,883	(1,756)	24,307	4,465
Net Investing Activities	(3,850)	(456)	(7,197)	(5,184)
Net Financing Activities	(99)	(219)	(1,180)	1,835
Effect of Exchange Rates on Cash	1	(3)	(3)	(3)
Change in Cash and Cash Equivalents	5,935	(2,434)	15,927	1,113
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>17,272</b>	<b>9,714</b>	<b>7,280</b>	<b>6,167</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 23,207</b>	<b>\$ 7,280</b>	<b>\$ 23,207</b>	<b>\$ 7,280</b>

**Cash Flow Review****Year ended September 30, 2020 and 2019 (YTD 2020 vs. YTD 2019)***Operating Activities*

Cash provided by operations for YTD 2020 was \$24.31 million compared to \$4.47 million for YTD 2019. The increase in operational cash flow is primarily driven by a 28% increase in the average realized gold price and a 13% increase in gold sales. Cash inflows were offset by increased processing costs from operational costs of the crusher and expenditures made for corporate general and administrative expense, and Gold Rock and Pan drilling programs. Pan Mine stand-alone cash flow provided by operations was \$31.68 million, which was used to fund corporate general and administrative expenses of approximately \$5.55 million (including \$1.44 million of incentive payments and excluding share-based compensation expense of \$0.16 million and short-term incentive accruals) and exploration expense of \$1.74 million.

Pan operating cash flows were, in part, generated from the sale of 46,334 gold ounces at an average realized price per ounce of \$1,681. Cost of sales per ounce for YTD 2020 of \$1,101 generated a 35% gross profit margin. Cash used through the deferral of costs into stockpile and heap leach pad inventories at Pan was \$3.67 million. Working capital changes from the build-up of inventory will fluctuate as production and ore grade mined varies.

*Investing Activities*

Net cash used by investing activities during YTD 2020 was \$7.20 million, compared to \$5.18 million during the prior year period. During the current period cash was used for capital expenditures of \$3.42 million (\$2.44 million of which related to the Pan developmental drilling program), \$3.39 million for Gold Rock evaluation expenditures, \$0.33 million for Gold Rock advance royalties and an additional \$0.06 million contributed to the Pan reclamation deposit account. During the comparable period of the prior year, cash used for capital expenditures was \$4.10 million, \$0.30 million for Gold Rock advance royalties and an additional \$0.78 million contributed to the Pan reclamation deposit account.

*Financing Activities*

Net cash used in financing activities of \$1.18 million during the year ended September 30, 2020 was for principal and interest payments made on lease obligations, net of \$0.32 million provided from stock option exercise proceeds. Net cash provided by financing activities of \$1.84 million during the year ended September 30, 2019 was for \$1.84 million in finance lease proceeds offset by payments made on finance lease obligations.

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**Three months ended September 30, 2020 and 2019 (Q4 2020 vs. Q4 2019)***Operating Activities*

Cash provided by operations for Q4 2020 was \$9.88 million compared to a use of \$1.76 million for Q4 2019. The increase in operational cash flow is primarily driven by a 38% increase in gold sales, and a 38% increase in the average realized gold price. Cash inflows were offset by increased processing costs from operational costs of the crusher and expenditures made on the Gold Rock and Pan drilling programs. Pan Mine stand-alone cash flow provided by operations was \$11.41 million, which was used to fund corporate general and administrative expenses of approximately \$1.23 million (excluding share-based compensation expense of \$0.03 million and short-term incentive accruals) and exploration expense of \$0.10 million.

Pan operating cash flows were, in part, generated from the sale of 12,455 gold ounces at an average realized price per ounce of \$1,920. Cost of sales per ounce for Q4 2020 of \$1,042 generated a 46% gross profit margin. Cash used through the deferral of costs into stockpile and heap leach pad inventories at Pan was \$1.01 million. Working capital changes from the build-up of inventory will fluctuate as production and ore grade mined varies.

*Investing Activities*

Net cash used by investing activities during Q4 2020 was \$3.85 million, compared to \$0.46 million during the prior year period. During the current period cash was used for capital expenditures of \$0.66 million, \$3.19 million for Gold Rock evaluation expenditures, and an additional \$0.01 million contributed to the Pan reclamation deposit account. During the comparable period of the prior year, cash used for capital expenditures was \$0.43 million, and an additional \$0.03 million contributed to the Pan reclamation deposit account.

*Financing Activities*

Net cash used in financing activities of \$0.10 million during the three months ended September 30, 2020 was for principal and interest payments made on lease obligations, net of \$0.28 million of proceeds from stock option exercises. During the three months ended September 30, 2019, cash used in financing activities was \$0.22 million for principal and interest payments made on lease obligations.

**CAPITAL REQUIREMENTS AND SOURCES OF LIQUIDITY**

Our primary sources of liquidity come from our cash balance of \$23.21 million and operating cash flows generated from Pan operations. As of September 30, 2020, we had working capital of \$40.04 million, consisting of current assets of \$50.79 million and current liabilities of \$10.74 million. We generated net income for the year ended September 30, 2020 of \$17.96 million.

The key factors impacting our financial position and liquidity are; our ability to generate cash flow from operating activities, expected sustaining and growth-related capital expenditures; expenditures on our exploration-stage projects and the gold price. Our liquidity position is highly dependent on these factors. We expect we will generate sufficient cash flow from operations from Pan to fund our current state of operations.

**COMMITMENTS, CONTINGENCIES AND CAPITAL RESOURCES**

(\$000's)	FY2021	FY2022	FY2023	FY2024	FY2025	Thereafter	Total
Lease Obligations	1,298	1,133	112	122	21	-	2,686
Interest on Lease Obligations	157	60	16	7	-	-	240
Mining Claim Assessments <sup>(i)</sup>	461	461	461	461	461	461	2,766
Project Commitments <sup>(ii)</sup>	170	170	170	170	170	785	1,635
Advance Royalties <sup>(ii)</sup>	707	707	707	707	707	3,205	6,740
Total Contractual Obligations	2,793	2,531	1,466	1,467	1,359	4,451	14,067

- (i) We currently hold mining claims on which we have an annual assessment obligation. In order to maintain the claims in good standing, there is an annual fee of approximately \$0.47 million. We are committed to this annual obligation for the indefinite future in order to maintain title to these claims.

## Fiore Gold Ltd.

### Management's Discussion and Analysis

For the year ending September 30, 2020

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- (ii) *Pan* - On or before January 5<sup>th</sup> of each year, the Company must pay an advance minimum royalty of the greater of \$0.06 million or the dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing price for the third calendar quarter preceding January 1 of the year in which the payment is due. Calculated at \$1,909 per ounce above. The Company must incur a minimum of \$0.07 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.

#### *Gold Rock*

- *Nevada Royalty Corp.* - Annually the Company must pay an advance minimum royalty of the greater of \$0.06 million or dollar equivalent of 108.05 ounces of gold valued by the average of the London afternoon fixing price for the third calendar quarter preceding January 1 of the year in which the payment is due. Calculated at \$1,909 per ounce above. The Company must incur a minimum of \$0.07 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.
- *Anchor Minerals Inc.* - Annually the Company must pay an advanced minimum royalty of the greater of \$0.03 million or the gold equivalent price which is determined by dividing \$0.03 million over the closing price of gold on January 15, 2007 and multiplying the result by the closing price of gold on the last business day of December 2010. The Company must incur a minimum of \$0.03 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.
- *Messers. Peart, Pankow and Jordan of Nevada* - The Company is required to make annual minimum royalty payments of \$0.10 million for year 2019 and thereafter.

#### **Pan Mine Sage Grouse Mitigation**

The Mitigation Plan included in the Final Environmental Impact Statement for the Pan Mine provides for the certain mitigation of actual impacts of the project to sage grouse habitat. As part of its mitigation measures, the Pan Mine provided funding to the United States Geological Survey ("USGS") for five years of sage grouse study. The Company is allowed to credit its funded portion of the USGS sage grouse study up to 50% of any applicable offsite compensatory mitigation for sage grouse habitat. Consistent with the Mitigation Plan, a wildlife working group consisting of the Bureau of Land Management, Nevada Division of Wildlife and the Company was formed following completion of the USGS study to determine any specific off-site mitigation. The wildlife working group remains in discussions regarding these matters. The Company cannot measure the obligation, if any, with sufficient reliability, relating to this matter because, among other reasons, the wildlife working group has not yet determined the sage grouse habitat directly impacted by the Pan Mine.

#### **Critical Accounting Estimates**

Management's Discussion and Analysis of Financial Condition and Review of Financial Results is based on our Consolidated Financial Statements, which have been prepared in accordance with IFRS and are expressed in U.S. dollars. The preparation of these statements requires us to make assumptions, estimates, and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. We base our assumptions, estimates, and judgments on historical experience, current trends and other factors that we believe to be relevant at the time our Consolidated Financial Statements are prepared. On a regular basis, we review our accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could (will) differ, and such differences could be material.

We consider an accounting estimate to be critical if it requires significant management judgments and assumptions about matters that are highly uncertain at the time the estimate is made and if changes in the estimate that are reasonably possible could materially impact our financial statements.

#### **Ore Reserves**

Management estimates its ore reserves based upon information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators' National Instrument 43-101 *Standards for Disclosure for Mineral Projects* ("NI 43-101") requirements. The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserve estimates can impact the carrying value of mineral property, plant and equipment, mine development expenditures, asset retirement obligations, the recognition of deferred tax assets, as well as the amount of depreciation and depletion charged to net income within the Consolidated Statements of Operations and Comprehensive Income.

## **Fiore Gold Ltd.**

### **Management's Discussion and Analysis**

For the year ending September 30, 2020

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#### ***Units of Production***

Management estimates contained ounces of gold in determining the depreciation and depletion of mining assets, including leach pads and ponds, asset retirement obligations and certain plant and equipment. Management has switched to a contained ounce basis and will use this basis prospectively. This results in a depreciation charge proportional to the contained gold ounces mined during a period. The life of the asset is assessed annually and considers its physical life limitations and present assessments of economically contained reserves of the mine property at which the asset is located. The calculations require the use of estimates and assumptions, including the number of contained ounces of gold. The Company's units of production calculations are based on ore tons stacked or estimated contained gold equivalent ounces mined.

#### ***Asset Retirement Obligations***

The Company records the fair value of the estimated liability for closure and removal costs associated with the retirement and removal of any tangible long-lived assets in the period in which the legal obligation is incurred. These obligations are initially estimated based on discounted cash flows with the related asset retirement cost capitalized within property, plant and equipment. The asset retirement obligations are subsequently accreted to its full value over time through charges to the Consolidated Statements of Income and Comprehensive Income. The related capitalized asset retirement cost is depreciated over the asset's respective useful life.

The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, whether closure plans achieve intended reclamation goals, and the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change. As a result, there could be significant adjustments to the provision for rehabilitation, which would affect future financial results.

#### ***Commercial Production***

Management assesses the stage of each mine development project to determine when a mine commences the production stage. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Company considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase. Some of the criteria include, but are not limited to, the following:

- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form; and
- ability to sustain ongoing production.

#### ***Stripping Costs***

As part of its mining operations, the Company incurs stripping costs during both the development and production phase. Stripping costs incurred in the development phase of a mine, before commercial production commences, are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using a units-of-production method. Stripping costs incurred during the production phase of a mine are considered production costs and included in the cost of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity provides additional access to the ore to be mined in the future, in which case the stripping costs are capitalized. Stripping costs incurred to prepare the ore body for extraction are capitalized as mine development costs (pre-stripping). Capitalized stripping costs are amortized on a unit-of-production basis over the estimated resource of the component to which they relate.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that provides additional access to the identified component of ore, plus an allocation of directly attributable overhead costs.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Company uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

**Fiore Gold Ltd.**

## Management's Discussion and Analysis

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The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of mineral property, plant and equipment in the consolidated statements of financial position. This forms part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

Economically recoverable resources are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

***Impairment of Long-Lived Assets***

The Company reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances that would indicate that the related carrying amounts may not be recoverable. Mineral properties in the exploration stage are monitored for impairment based on factors such as the Company's continued right to explore the area, exploration results, technical reports, the Company's continued plans to fund exploration and development programs on the property, future asset utilization, business climate and mineral prices.

If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares recoverable amount to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the Consolidated Statements of Operations and Comprehensive Income for that period. The increased carrying amount due to reversal may not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

***Income Taxes***

Income tax expense is comprised of current and deferred tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable net loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not recognized for all temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the taxation authority.

## Fiore Gold Ltd.

### Management's Discussion and Analysis

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#### *Fair Value of Share Based Payments and Warrants*

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Share options granted vest in accordance with the share option plan. The valuation of share-based compensation is subjective and can impact profit and loss significantly. Several other variables are used when determining the value of share options and warrants using the Black-Scholes valuation model:

- Dividend yield: The Company has not paid dividends in the past. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% is used for the purposes of the valuation of share options and warrants.
- Volatility: The Company uses historical information on the market price of peer companies to determine the degree of volatility at the date when the share options are granted. Therefore, depending on when the share options and warrants are granted, and the year of historical information examined, the degree of volatility can be different when calculating the value of different share options and warrants.
- Risk-free interest rate: The Company uses the interest rate available for government securities of an equivalent expected term as at the date of grant of the share options and warrants. The risk-free interest rate will vary depending on the date of grant of the share options and warrants and their expected term.

#### **New and Amended Standards Adopted by the Company**

The following accounting standards are effective and have been implemented as of October 1, 2019.

##### *IFRS 16: Leases ("IFRS 16")*

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16") which replaced the existing lease accounting guidance under IAS 17, *Leases* ("IAS 17") and IFRIC 4, *Determining Whether an Arrangement Contains a Lease* ("IFRIC 4"). Effective October 1, 2019, the Company adopted the requirements of IFRS 16, which requires lessees to recognize right-of-use ("ROU") assets and lease liabilities on the balance sheet for most leases, resulting in a corresponding increase in depreciation and interest expense. Furthermore, the adoption of IFRS 16 resulted in an increase in cash flows from operating activities, as most lease payments are now reflected as financing outflows in the consolidated statement of cash flows.

We elected to apply IFRS 16 using a modified retrospective approach by recognizing the cumulative effect, of initially adopting IFRS 16 as an adjustment to the opening balance sheet through retained earnings as of October 1, 2019. Therefore, the comparative period information has not been restated and continues to be reported under IAS 17 and IFRIC 4. As the Company's operating leases were not material, no adjustment to equity was recognized upon adoption of IFRS 16 on October 1, 2019. The impact of adopting IFRS 16 and the changes to the Company's accounting policy for leasing are discussed below.

##### *Impact on Financial Statements*

On October 1, 2019, the Company recognized \$0.71 million of ROU assets. Since the Company elected to recognize the ROU assets at an amount equal to the lease liabilities, there was no impact to retained earnings.

The carrying amount of ROU assets and lease liabilities recognized on October 1, 2019 that were previously classified as finance leases under IAS 17 and continued to be assessed as leases under IFRS 16 were determined at the carrying amount of the lease assets and lease liabilities immediately before the transition to the new standard.

The Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as of October 1, 2019. The weighted average incremental borrowing rate applied as at October 1, 2019 was 7.69%.

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The following table reconciles the Company's operating lease commitments at September 30, 2019, as previously disclosed in the Company's consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at October 1, 2019:

Operating lease commitments at September 30, 2019	\$	417
Discounted using the incremental borrowing rate at October 1, 2019		332
Other adjustments		377
Lease liabilities previously recorded as finance lease obligations		3,141
Lease liabilities recognized as of October 1, 2019	\$	3,850

Upon transition to IFRS 16, the Company elected the practical expedients, which we will continue to elect going forward, of:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied the exemption for short-term leases of equipment, which are leases with a remaining lease term of 12 months or less as of October 1, 2019, and leases of low-value assets, as permitted by the standard. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *IFRIC 23: Uncertainty over income tax treatments ("IFRIC 23")*

IFRIC 23 was issued in June 2017 and clarifies how the recognition and measurement requirements of IAS 12 *Income taxes*, are applied where there is uncertainty over income tax treatments. The previous IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company adopted the Interpretation in its financial statements for the annual period beginning on October 1, 2019. Based upon the analysis completed, the adoption of IFRIC 23 did not have an impact on the Company's consolidated financial statements.

## RECLAMATION AND CLOSURE

The Company has an obligation to reclaim its properties. We record the fair value of our estimated liability for closure and removal costs associated with the retirement and removal of any tangible long-lived assets in the period in which the legal obligation is incurred. These obligations are initially estimated based on discounted cash flows with the related asset retirement cost capitalized as part of the tangible asset to which it relates. The asset retirement obligations are subsequently accreted to its full value over time through charges to operating income. The related capitalized asset retirement cost is depreciated over the asset's respective useful life.

The Company is currently required to have a reclamation bond for the Pan Mine of approximately \$15.98 million held with the BLM which is based upon the Nevada Standardized Reclamation Cost Estimator; the Division of Environmental Protection – Bureau of Mining Regulation and Reclamation approved standardized cost estimator. During the year ended September 30, 2020, the Company, in collaboration with third-party consultants, developed an updated reclamation plan for use in calculating the fair value of our estimated liability for closure and removal costs at the Pan Mine. The updated reclamation plan took into consideration updates of equipment and labor unit cost basis, modifications to water and construction management, monitoring and heap closure. All updates were done under the assumption the Company would manage the reclamation project on a going concern basis.

The Company is required to post bonds with the BLM, or post adequate cash collateral, for reclamation of planned mineral exploration and development programs associated with the Company's mineral properties located in the United States. As of September 30, 2020, and September 30, 2019, the Company had surety contracts in place for reclamation bonds covering the Company's Nevada exploration projects. The Company purchased a surety contract for the reclamation bond, which required collateral to be posted into an escrow account as security in the unlikely event of company abandonment to cover remediation obligations. A \$6.51 million reclamation deposit is held within a collateral account, which has been recorded in reclamation deposits on the Consolidated Statements of Financial Position as of September 30, 2020. As of September 30, 2019, the reclamation deposit balance within the collateral account was \$6.45 million.

## **Fiore Gold Ltd.**

### **Management's Discussion and Analysis**

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Following a review of our operations, development plans, minerals resources and reserves and financial position with our surety bond provider in March of 2020, we were able to extend the term during which additional deposits in the collateral account will not be required and collateral requirements will be assessed annually. This will result in the reclamation bond for the Pan Mine being secured by collateral in the amount of approximately 41% of the bond. These revised terms are subject to the surety's continued evaluation of the Company's operations, development and financial condition, and, as is customary of surety reclamation bond agreements, the surety has broad rights to demand additional collateral at any time. We are required to maintain the reclamation bond until all abandonment and remediation obligations have been completed to the satisfaction of the BLM. The surety contract names the Company and several of its subsidiaries as indemnitors to the surety agreement.

### **NON-IFRS FINANCIAL MEASURES**

The Company has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

"Adjusted net earnings" and "adjusted net earnings per share" are non-IFRS financial performance measures. Adjusted net earnings excludes the following from net earnings: certain impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments; gains (losses) and other one-time costs relating to acquisitions or dispositions; foreign currency translation gains (losses); significant tax adjustments not related to current period earnings; unrealized gains (losses) on non-hedge derivative instruments; and the tax effect and non-controlling interest of these items. The Company uses this measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings are a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

We have adopted "all-in sustaining costs" measures for the Pan Mine and Fiore as a consolidated group, consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate cash flow from current operations and our overall value. These measures are helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporates costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation, non-sustaining capital expenditures, non-sustaining exploration expense and other items needed to normalize earnings. Therefore, these measures are not indicative of our cash expenditures or overall profitability. The WGC defines non-sustaining costs (either capital or exploration) as "costs incurred at 'new operations' and costs related to 'major projects at existing operations' where these projects will materially benefit the operation. A material benefit to an existing operation is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations. "Costs of sales per ounce sold" adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.



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“Total cash costs per ounce”, “cost of sales per ounce”, “all-in sustaining costs per ounce”, “Pan operating income” and “Pan operating cash flow” are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently. The following table reconciles non-IFRS measures to the most directly comparable IFRS measure.

“Average realized price” is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

“Sustaining capital” is a non-IFRS financial measure which we define as net capital expenditures that are intended to maintain operation of gold producing assets. Management uses sustaining capital and other sustaining costs to understand the aggregate net result of the drivers of all-in sustaining costs other than total cash costs. Sustaining capital is intended to provide additional information only, it does not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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**NON-IFRS FINANCIAL MEASURES**

(US\$000's, except where indicated)	Three Months Ended September 30,		Year Ended September 30,	
	2020	2019	2020	2019
Gold Ounces Produced	12,432	9,282	46,031	41,491
Gold Ounces Sold (Payable)	12,455	9,009	46,334	40,994
Revenue	\$ 23,924	\$ 12,549	\$ 77,913	\$ 53,742
Silver Sales	(9)	(10)	(25)	(26)
<b>Revenues from Gold Sales</b>	<b>\$ 23,915</b>	<b>\$ 12,539</b>	<b>\$ 77,888</b>	<b>\$ 53,716</b>
<b>Average Realized Price</b>	<b>\$ 1,920</b>	<b>\$ 1,392</b>	<b>\$ 1,681</b>	<b>\$ 1,310</b>
<b>Adjusted Net Earnings</b>				
Net Income / (Loss)	\$ 9,343	\$ 127	\$ 17,957	\$ 2,422
Mineral Property Disposal (Gains) / Losses	-	587	31	587
Foreign Currency Translation (Gains) / Losses	(2)	4	1	38
Unrealized (Gains) / Losses on Derivative Instruments	(632)	(376)	(490)	310
<b>Adjusted Net Earnings / (Loss)</b>	<b>\$ 8,709</b>	<b>\$ 342</b>	<b>\$ 17,499</b>	<b>\$ 3,357</b>
<b>Net Earnings (Loss) per Share</b>	<b>\$ 0.10</b>	<b>\$ 0.00</b>	<b>\$ 0.18</b>	<b>\$ 0.02</b>
<b>Adjusted Net Earnings per Share</b>	<b>\$ 0.09</b>	<b>\$ 0.00</b>	<b>\$ 0.18</b>	<b>\$ 0.03</b>
<b>Cash Costs per Ounce Sold</b>				
Total Operating Costs	\$ 12,994	\$ 10,383	\$ 51,009	\$ 41,775
Depreciation and Depletion	(1,942)	(1,213)	(7,059)	(4,820)
Share Based Compensation in Production Costs	(6)	1	(58)	(81)
Silver Credits	(9)	(10)	(25)	(26)
<b>Total Cash Costs</b>	<b>\$ 11,037</b>	<b>\$ 9,161</b>	<b>\$ 43,867</b>	<b>\$ 36,848</b>
<b>Total Cash Costs per Ounce Sold</b>	<b>\$ 886</b>	<b>\$ 1,017</b>	<b>\$ 947</b>	<b>\$ 899</b>
<b>Cost of Sales per Ounce Sold</b>				
<b>Costs of Sales</b>	<b>\$ 12,994</b>	<b>\$ 10,383</b>	<b>\$ 51,009</b>	<b>\$ 41,775</b>
<b>Cost of Sales per Ounce Sold</b>	<b>\$ 1,043</b>	<b>\$ 1,153</b>	<b>\$ 1,101</b>	<b>\$ 1,019</b>
<b>Pan Mine All-in Sustaining Costs</b>				
Total Cash Costs	\$ 11,037	\$ 9,161	\$ 43,867	\$ 36,848
Sustaining Capital	373	142	977	626
Sustaining Exploration	-	7	-	36
Share-Based Compensation	6	(1)	58	81
Reclamation Cost Accretion	61	172	588	722
Depreciation of ARO Asset	544	363	2,058	1,101
<b>Pan Mine All-in Sustaining Costs</b>	<b>\$ 12,021</b>	<b>\$ 9,844</b>	<b>\$ 47,548</b>	<b>\$ 39,414</b>
<b>Pan Mine AISC per Ounce Sold</b>	<b>\$ 965</b>	<b>\$ 1,093</b>	<b>\$ 1,026</b>	<b>\$ 961</b>
<b>Fiore Consolidated All-in Sustaining Costs</b>				
Pan Mine All-in Sustaining Costs	\$ 12,021	\$ 9,844	\$ 47,548	\$ 39,414
Corporate General & Administrative Costs	1,721	1,209	5,449	4,503
Corporate Share Based Compensation	25	40	163	323
Other Sustaining Capital	6	-	22	13
<b>Fiore Consolidated All-in Sustaining Costs</b>	<b>\$ 13,773</b>	<b>\$ 11,093</b>	<b>\$ 53,182</b>	<b>\$ 44,253</b>
<b>Fiore Consolidated AISC per Ounce Sold</b>	<b>\$ 1,106</b>	<b>\$ 1,231</b>	<b>\$ 1,148</b>	<b>\$ 1,080</b>

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**NON-IFRS FINANCIAL MEASURES**

(US\$000's, except where indicated)	<b>Three Months Ended September 30,</b>		<b>Year Ended September 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Pan Operating Income</b>				
Consolidated Operating Income	\$ 9,081	\$ (576)	\$ 19,553	\$ 4,574
Corporate General & Administrative Costs	1,721	1,209	5,449	4,503
Corporate Share Based Compensation	25	40	163	323
Non-Pan Exploration Costs	103	1,486	1,662	2,531
<b>Pan Operating Income</b>	<b>\$ 10,930</b>	<b>\$ 2,159</b>	<b>\$ 26,827</b>	<b>\$ 11,931</b>
<b>Pan Operating Cash Flow</b>				
Non-Pan Operating Cash Flow	(1,529)	(2,389)	(7,374)	(5,561)
Consolidated Operating Cash Flow	\$ 9,883	\$ (1,756)	\$ 24,307	\$ 4,465
<b>Pan Sustaining Capital</b>				
Cash Flow Additions to Property, Plant and Equipment	\$ 655	\$ 432	\$ 3,420	\$ 4,102
Accounts Payable Change Relating to Capital Additions	325	(226)	458	67
Lease Capital Additions	-	-	-	1,232
<i>Non-Sustaining Major Projects</i>				
Pan Mine Resource Drilling	(86)	-	(2,336)	-
Pan Phase III Heap Leach Pad	(548)	-	(726)	-
Primary Crusher and Loader	-	(18)	-	(4,532)
Other Non-Sustaining Capital	27	(46)	161	(243)
<b>Pan Sustaining Capital</b>	<b>\$ 373</b>	<b>\$ 142</b>	<b>\$ 977</b>	<b>\$ 626</b>

The WGC defines non-sustaining costs as “costs incurred at ‘new operations’ and costs related to ‘major projects at existing operations’ where these projects will materially benefit the operation. A material benefit to an existing operation is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation. The Pan Mine resource expansion drilling program and construction of the phase III heap leach pad have been conservatively classified as sustaining capital expenditures during the first three quarters of this fiscal year. Per the WGC, the determination of classification as sustaining or non-sustaining requires judgment by a company’s management. The facts and circumstances that lead to a decision may change over time and this may lead to a change in classification between the time the project is originally contemplated and when it is completed. Upon conclusion and review of drilling results, we have determined that costs of the Pan Mine resource expansion drilling program are more appropriately classified as a major project materially benefiting the operation due to the added life of mine production and reserves and therefore classified as non-sustaining capital. Particularly the reserve addition represents in excess of a 10% increase in life of mine production. The phase III heap leach pad is being constructed due to the additional ore added to the Pan Mine reserve from this most recent expansion drilling program and is also more appropriately classified as a major project materially benefiting the operation and therefore classified as non-sustaining capital. Again, this expenditure supports in excess of a 10% increase in life of mine production.

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The total costs of the drilling program and phase III heap leach pad during FY 2020 was \$2.34 million and \$0.73 million. The below table reconciles Pan Mine AISC<sup>1</sup> and Fiore Consolidated AISC<sup>1</sup> for Q1, Q2 and Q3 as previously reported:

(\$000's, except per ounce data)	Q1 2020	Q2 2020	Q3 2020
<b>As Previously Reported</b>			
Sustaining Capital <sup>1</sup>	\$ 863	\$ 757	\$ 1,414
Pan Mine AISC per Ounce Sold <sup>1</sup>	1,197	1,099	1,085
Fiore Consolidated AISC per Ounce Sold <sup>1</sup>	1,330	1,196	1,203
Pan Mine Resource Drilling Reclassified to Non-Sustaining	\$ (737)	\$ (696)	\$ (817)
Pan Phase III Heap Leach Pad Reclassified to Non-Sustaining	(6)	(33)	(139)
<b>Adjusted</b>			
Sustaining Capital <sup>1</sup>	\$ 120	\$ 28	\$ 458
Pan Mine AISC Per Ounce Sold <sup>1</sup>	1,115	1,038	1,010
Fiore Consolidated AISC per Ounce Sold <sup>1</sup>	1,248	1,135	1,128

<sup>1</sup>Refer to the Non-IFRS Financial Measures directly above for a reconciliation to conventional measures prepared in accordance with IFRS.

**OUTSTANDING SHARE DATA**

The Company's fully diluted share capital as of December 8, 2020, is as follows:

**Outstanding**

Common Shares as of December 8, 2020	98,797,383
Share Options Granted at an Exercise Price of \$0.80 per option	2,329,167
Share Options Granted at an Exercise Price of \$0.86 per option	250,000
Share Options Granted at an Exercise Price of C\$0.33 per option	1,040,000
Share Options Granted at an Exercise Price of C\$0.38 per option	1,380,998
Share Options Granted at an Exercise Price of C\$0.40 per option	175,000
Share Options Granted at an Exercise Price of C\$0.42 per option	110,000
Share Options Granted at an Exercise Price of C\$0.52 per option	300,000
Share Options Granted at an Exercise Price of C\$0.75 per option	175,000
Share Options Granted at an Exercise Price of C\$1.15 per option	525,000
Share Options Assumed from Arrangement at an Exercise Price of C\$0.19 per option	26,500
Share Options Assumed from Arrangement at an Exercise Price of C\$1.32 per option	463,750
Share Options Assumed from Arrangement at an Exercise Price of C\$1.62 per option	119,250
Share Options Assumed from Arrangement at an Exercise Price of C\$1.92 per option	402,800
Share Options Assumed from Arrangement at an Exercise Price of C\$2.42 per option	53,000
Restricted Stock Units	1,212,731
Deferred Stock Units	188,000
<b>Fully Diluted Share Capital</b>	<b>107,548,579</b>

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**INTERNAL CONTROLS AND PROCEDURES**

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

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 make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 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.

**OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements.

**FINANCIAL RISK MANAGEMENT**

We have exposure to certain risks resulting from our use of financial instruments. These risks include credit risk, liquidity risk and market risk, which includes sub-categories of foreign currency risk and price risk. During 2020, there were no significant changes to our exposure to risks resulting from our use of financial instruments or to our financial risk management strategy.

Management has concluded that the Company's greatest price risk exposure is fluctuations in precious metal prices, particularly gold. The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, the Company may be unable to develop its properties, which could adversely affect the Company's results of operations, financial performance and cash flows. A 5% decrease in the average realized price of gold sales would have resulted in a decrease in the Company's revenue during the year ended September 30, 2020 of approximately \$3.89 million.

The Company, from time to time, will enter into short-term zero cost gold collars or other price hedging instruments as a means to reduce price risk exposure on the decline of gold prices. The Company had 3,200 outstanding short-term zero cost gold collars for gold ounces outstanding as of October 1, 2019. The 3,200 gold collars were for ounce deliveries from October 1, 2019 through November 25, 2019 with a floor of \$1,300 per ounce and a ceiling of \$1,350 per ounce. All call options within the collars were exercised by the counterparty during the year ended September 30, 2020. The collars served to protect the Company against gold price downside risk, while conversely limiting gold price upside potential. The Company budgeted and forecasted expenditures during the period of outstanding collars based upon these parameters. During the year ended September 30, 2020, the gold collars net impact was a reduction to the Company's revenue of \$0.42 million. No collars remain outstanding as of September 30, 2020.

**TRANSACTIONS WITH RELATED PARTIES**

There are no transactions with related parties other than key management compensation, which is determined by the compensation committee of the Board of Directors.

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Key management comprises directors and executive officers. The compensation to key management was as follows, in thousands:

	Year Ended September 30,	
	2020	2019
Director Fees	\$ 153	\$ 143
Senior Management	2,009	1,587
Share-Based Payment	103	81
Total	\$ 2,265	\$ 1,811

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Amounts due to key management and directors as of September 30, 2020 was \$1.12 million.

Related party transactions are measured at the exchange amount which is the consideration agreed to between the parties.

**RISKS AND UNCERTAINTIES**

Investing in our Common Shares involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included or referred to in this MD&A, before purchasing our Common Shares. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our Common Shares could decline and investors in our Common Shares could lose all or part of their investment.

**Business and Operational Risks*****Commodity Prices***

Our business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond our control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates.

The price of gold has fluctuated widely in recent years, and future sustained gold price declines could cause continued development of, and commercial production from our projects to be uneconomic. Depending on the price of gold, cash flow from mining operations may be insufficient to meet our operating needs and capital expenditures, and as a result we could experience losses and/or may curtail or suspend some or all of our exploration, development, construction and mining activities or otherwise revise our mine plans, and exploration, development and construction plans, and could lose our interest in, or be forced to sell, some or all of our properties. Further, if forced to use significantly lower gold prices for Mineral Reserve calculations for the Pan Mine LOM, it could result in material write-downs to the mining property and increased amortization, reclamation and closure charges.

In addition to adversely affecting our Mineral Reserve estimates and our financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of our projects, including the Pan Mine. Such a reassessment may be the result of a management decision. Even if such project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. Our operating results are substantially dependent upon the market price of gold. These prices fluctuate widely. The volatility of these prices is illustrated in the following table, which sets forth the high and low prices of gold based on the PM London Bullion Market Association ("LBMA") Gold Price, formerly known as the PM gold fix, and silver based on the LBMA Silver Price, formerly known as the silver fix.

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Spot Price per Ounce of Gold	Year Ended September 30,		
	2020	2019	% Change
High	\$ 2,067	\$ 1,546	34%
Low	\$ 1,452	\$ 1,186	22%
Average	\$ 1,673	\$ 1,329	26%
Average Realized Price <sup>1</sup>	\$ 1,681	\$ 1,310	28%

<sup>1</sup> This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this MD&A.

The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, cash flow from operations will decrease which will adversely affect our results of operations, financial performance and cash flows.

***The actual production, development plans and costs associated with the Pan Mine may differ from the estimates in our technical reports***

The technical reports we publish on our Pan Mine under NI 43-101 contain estimates of future production, development plans, operating and capital costs, financial returns and other economic and technical estimates relating to the Pan Mine. These estimates are based on a variety of factors and assumptions and there is no assurance that such production, plans, costs or other estimates will be achieved or continue to be achieved. Actual costs and financial returns may vary significantly from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the price of gold; short-term operating revisions to mine plans; equipment failures; industrial accidents; natural phenomena; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; changes in fuel costs; commodity price fluctuations; shortages of principal supplies needed for development and operations; labor shortages or strikes; high rates of inflation; civil disobedience, protests and acts of civil unrest or terrorism, applicable taxes and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments. Failure to achieve estimates or material increases in costs could have a material adverse impact on our future cash flows, profitability, results of operations and financial condition.

Sustaining capital expenditures required to continue operating the Pan Mine are based on assumptions and analyses made by our management and advisors in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These estimates, however, and the assumptions upon which they are based, are subject to a variety of risks and uncertainties and other factors that could cause actual expenditures to differ from those estimates. If these estimates prove incorrect, additional capital expenditures for the Pan Mine may increase. We cannot be assured that we will have access to sufficient financing or generate sufficient cash flows to fund any increase in required capital spending for additional construction or development of the Pan Mine. There can be no assurances that ongoing operating costs associated with the Pan Mine will be as anticipated and any increase in costs could materially adversely affect our business, results of operations, financial condition and cash flow.

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***Uncertainty in the Estimation of Mineral Resource and Mineral Reserves***

Mineral Resources and Mineral Reserves are estimates only and no assurance can be given that the anticipated tonnage and grades will be achieved. The grade of Mineral Resources and Reserves actually recovered, if any, may differ from the estimated grade of the Mineral Resources. Such figures have been determined based upon assumed metal prices and operating costs. Mineral Reserve and Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other risks and relevant issues. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond our control. Such estimation is imprecise and depends on subjective processes, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades or ore types, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Fluctuation in gold prices, results of drilling, metallurgical testing and production, increases in capital and operating costs, including the cost of labor, equipment, fuel and other required inputs and the evaluation of mine plans after the date of any estimate may require revision of such estimate. The volume and grade of Mineral Reserves mined and processed, as well as the total recovery and the recovery rates may not be the same as currently anticipated.

Mineral Resources and Mineral Reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. These estimates may require adjustments or revisions based upon further exploration or development work, drilling or actual production experience. Any material reductions in estimates of Mineral Reserves and Mineral Resources, or of our ability to extract these Mineral Reserves, could have a material adverse effect on our results of operations and financial condition.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to uncertainty that may attach to Inferred Mineral Resources, Inferred Mineral Resources may not be upgraded to Measured and Indicated Mineral Resources or Proven and Probable Reserves as a result of continued exploration. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is no certainty that such projections will be realized.

Mineral Reserves and Mineral Resources are estimates only and there are no assurances that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond our control. Such estimation is an imprecise subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

***Uncertainties and Risks Relating to Feasibility Studies***

Feasibility studies, such as that included in the Pan Mine 43-101, are used to determine the economic viability of a deposit. While the Pan Mine 43-101 is based on the best information available to us at the time, it cannot be certain that actual costs will not significantly exceed estimated costs. Many factors are involved in the determination of the economic viability of a mineral deposit, including the actualization of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates relating to future precious metal prices. Mineral Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes may also be materially affected by metallurgical, environmental, permitting, legal, title, socio-economic factors, marketing, political and other factors.



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In addition, the mining operations at the Pan Mine are dependent on a number of factors, including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favorable geological conditions, maintaining the necessary approvals from all relevant authorities and parties, weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables and equipment, cost overruns, access to the required level of funding and contracting risks relating to third parties providing essential services to us. As a result, the actual operating results from the Pan Mine may differ from those anticipated in the Pan Mine 43-101. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected total recovery and recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, we cannot give any assurance that the Pan Mine 43-101 results, as reported, will not be subject to change and revisions.

The Pan Mine uses a heap leach process to extract gold and silver from ore. The heap leach process extracts gold and silver by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained gold and silver, which are then recovered in metallurgical processes. This process uses several integrated steps in the process of extracting gold and silver to estimate the metal content of ore placed on the leach pad. The final amounts are not determined until a third-party smelter converts the doré and determines final ounces of gold and silver available for sale. This end result is reviewed and reconciled to the estimates used throughout the production process. Based on this review, the estimates and procedures are adjusted when appropriate. Due to the complexity of the estimation process and the number of steps involved, among other things, actual recoveries can vary from estimates, and the amount of the variation could be significant and could have a material adverse impact on financial condition and results of operations.

***Future Production Estimates***

Forecasts of future ore mined, waste mined, gold ounces mined and ore grade mined are estimates based on interpretation and assumptions, and actuals may be less than estimated. We have prepared estimates of future production from our Pan Mine. Our ability to achieve and maintain our estimated production rates at the Pan Mine is subject to several risks and uncertainties. These production estimates are dependent on, among other things, our use of a contract miner and their ability to move the required tonnages, the accuracy of Mineral Reserve and Mineral Resource estimates, gold price assumptions for cutoff grade and economic strip ratio, the accuracy of assumptions regarding ore grades, total recovery and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing. Actual production may vary from the estimates for a variety of reasons, including, risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labor shortages, strikes, local community opposition or blockades. Our failure to achieve our estimated production at the Pan Mine could have a material adverse effect on our operations and financial condition. We disclaim any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward production estimates, except as required by law.

***Costs and Cost Estimates***

We have prepared estimates of operating production costs, royalties and capital costs in respect to the Pan Mine. Our estimated costs are dependent on a number of factors, including treatment and refining charges, penalty elements in doré, royalties, the price of gold and by-product metals, the cost of inputs used in mining operations and events that impact estimated production levels.

Mining operations are subject to risks and delays that may be beyond our control. It is anticipated that costs will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans, if any, in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel, cyanide, lime, ammonium nitrate and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a material adverse effect on profitability.

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However, despite our reasonable best efforts to budget and estimate such operating costs and capital costs, including any targeted cost reductions, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects and operating mines are often prone to material cost overruns. Actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade metallurgy, labor and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve estimated costs could have an adverse impact on our business, results of operations and financial condition.

***Pan Mine Crusher Costs and Production***

While the recent addition of a crushing and agglomeration circuit at the Pan Mine has increased mining and processing costs, the increase in gold production has offset these cost increases. However, a decrease in crusher performance or the ability to meet targeted production levels could impact overall recoveries and potentially lead to decreased levels of gold production. Decreased gold production to offset the increased mining and processing costs may have negative impacts on our operations and cash flow.

***Heap Leach Pad Phase III Construction***

The Company has successfully constructed and operated the phase II heap leach pad at the Pan Mine and commenced construction on the phase III heap leach pad. However, significant delays in, or failure to construct the phase III heap leach pad could impact our ability to leach ore and recover gold. The estimated mine life of the Pan Mine could be significantly impacted without the stacking capacity generated through the addition of the phase III heap leach pad.

***Good Title to the Company's Mineral Properties***

We will not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. We have, with the assistance of legal counsel, diligently investigated title to our mineral claims; however, this should not be construed as a guarantee of title. We will continue to diligently investigate and seek to confirm title to mineral concessions which we hold either directly or through equity holding interests in our subsidiaries. We cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that we will have or acquire valid title to these mining properties. Failure by us to retain title to properties which comprise our projects could have a material adverse effect on us and the value of our securities.

There are risks that title to our properties may be challenged or impugned. Our properties are located in Nevada, Washington and Chile and may be subject to prior unrecorded agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of such properties which, if successful, could impair development and/or operations. This is particularly the case in respect of those portions of our properties in which are held solely through a lease with claim holders, as such interest is substantially based on contract and has been subject to a number of assignments (as opposed to a direct interest in the property).

Several of the mineral rights to our properties consist of "unpatented" mining claims created and maintained in accordance with the General Mining Law. Unpatented mining claims are unique property interests and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations, due to members of the United States Congress having repeatedly introduced bills which would supplant or alter the provisions of the United States General Mining Law of 1872 (the "General Mining Law"). Also, unpatented mining claims are always subject to possible challenges by third parties or validity contests by the federal government. The validity of an unpatented mining or mill site claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of U.S. federal and state statutory and decisional law. In addition, there are few public records that definitively determine the issues of validity and ownership of unpatented mining claims. Should the federal government impose a royalty or additional tax burdens on the properties that lie within public lands, the resulting mining operations could be seriously impacted, depending upon the type and amount of the burden.

We will be required under the terms of the leases covering some of our property interests to make annual lease payments and advance royalty and royalty payments each year. We will also be required to make annual claim maintenance payments to the BLM and pay a fee to the applicable Counties in order to maintain our rights to explore and, if warranted, to develop our unpatented mining claims. If we fail to meet these obligations, we will lose the right to explore for gold and other minerals on those properties.

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***Gold Rock State Permitting Process and Development Risks***

We have not begun the state permitting process for the Gold Rock Project. While generally viewed as a more prescriptive and less uncertain process than obtaining the ROD under NEPA, there can be no assurance that we will have the resources or ability to complete the state permitting process. If we move forward with actual construction, we will also be required to obtain local permits, federal approvals, including approval for explosives, small quantity hazardous waste generator, U.S. Mine Safety and Health Administration ("MSHA") registration and Federal Communications Commission licenses. Common construction authorizations such as building permits will also be required. We will also likely be required to place additional surety bonds or other forms of security with the BLM prior to commencing construction. In addition, even after permits are obtained, several permits are subject to inspections, need to be maintained and are required to be periodically renewed. If we are unable to maintain or renew, or if necessary, amend, any such permits it could adversely impact our operations.

***Exploration, Development and Operating Risks***

Mining exploration and operations generally involve a high degree of risk. Our business is subject to all the hazards and risks normally encountered in the exploration, development and production of gold including unusual and unexpected ground conditions or geologic formations, seismic activity, rock bursts, rock slides, cave-ins, slope or pit wall failures, flooding, fire, metal losses, periodic interruption due to inclement or hazardous weather conditions and other conditions that would impact the drilling and removal of material, any of which could result in reduced production, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any of our exploration activities will result in the development of an economically viable mine project. Substantial expenditures are required to establish Mineral Resources and Mineral Reserves through drilling, to develop metallurgical processes to extract the metal from Mineral Resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Pan Mine will continue to include construction of capital improvements and operation of the mine. Successful operations at the Pan Mine could be prevented, delayed or disrupted by, among other things:

- unanticipated changes in ore grade and tonnage of material to be mined and processed;
- budget overruns due to changes in the cost of fuel, power, materials, supplies and currency fluctuations;
- potential opposition from non-governmental organizations, community and indigenous groups, environmental groups or local groups;
- inability to permit and construct necessary sustaining capital projects, including heap leach pad expansions;
- inability to adequately finance operations or capital improvements;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- availability and cost of labor and other supplies and equipment;
- availability of economic sources of power;
- adequacy of water supply and well failures;
- adequacy of access to the site;
- unanticipated transportation costs;
- flooding, earthquakes, wild / forest fires and periodic interruptions due to inclement or hazardous weather conditions;
- government regulations (including obtaining and maintaining local permits, regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected;
- problems with delivery and installation of equipment necessary to continue operations as planned

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- inability to address permeability issues with cost effective mining techniques and processing methods;
- availability of rocky ore to maintain necessary blending ratios while utilizing run-of-mine leaching methods;
- improper or inability to obtain accurate grade samples from blast holes; or
- failure of our equipment, processes or facilities to operate properly or as expected.

We have developed and practiced various techniques to mitigate permeability issues of the heap leach pad at the Pan Mine and have made additional capital improvements we expect to further improve permeability characteristics and increase gold recoveries of the ores; including the installation of the single stage crushing system; however, these techniques may not be successful in mitigating permeability issues, obtaining expected gold recoveries or obtaining recoveries as timely as estimated.

The Pan Mine may require additional capital improvements, or we may make capital expenditures in an effort to improve gold recoveries. Future delays in construction of such improvements could result from factors such as availability and performance of engineering and construction contractors, suppliers and consultants; availability and functionality of required equipment and weather and other mine conditions. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons, or insufficient financing, or lack of availability of required equipment, or delay or failure caused by mine conditions or regulatory compliance, could delay construction at the Pan Mine.

As a result, we will continue to be subject to all of the risks associated with mining operations, including risks relating to the availability and cost of skilled labor, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project.

In addition, production may be adversely impacted by operational problems or other equipment, or industrial accidents, as well as other potential issues such as actual ore mined varying from estimates of grade or tonnage, dilution, and metallurgical or other characteristics, interruptions in electrical power or water, shortages of required inputs, labor shortages or strikes, restrictions or regulations imposed by government agencies or changes in the regulatory environment. In addition, short-term operating factors, such as the need for orderly development of the ore bodies or the processing of new or different ore types or grades, may cause a mining operation to be unprofitable in any particular accounting period.

The occurrence of one or more of these events may result in various outcomes, including, but not limited to the death of, or personal injury to, employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, suspension, curtailment or termination of operations, environmental damage and potential legal liabilities, any of which may adversely affect our business, reputation, results of operations and financial condition.

***Availability of sufficient rocky ore to blend with clay material to address permeability of our leach pads.***

We currently address leach pad permeability issues through blending rock and clay ores. This requires that ore is mined with sufficient rocky characteristics to achieve the necessary blend to maintain permeability. The necessary blend is required for both run-of-mine and crushed ore. If adequate volumes of rocky ore are unavailable, then production and recovery could be adversely impacted.

***The Pan Mine uses a contract miner for mining operations at the Pan Mine.***

Ledcor CMI., Inc. ("Ledcor") currently provides contract mining services at our Pan Mine, including drilling, blasting, loading and hauling of waste and ore, and supplies the majority of the heavy mobile equipment for use at Pan. While continuing to use contract mining will reduce our capital costs, it may result in increases in operating costs and limit our ability to manage operations when compared with owner mining. While we do not anticipate any disputes with Ledcor, an unanticipated termination of their services or dispute could delay production and impair our business. The current operating contract, renewed as of November 1, 2019, includes a four-month cancellation period. Ledcor's performance impacts our operating performance and production at the Pan Mine.

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The labor market for heavy equipment operators and mechanics is challenging in Nevada and Leducor has previously struggled to retain and hire qualified operators and mechanics. Inability to sufficiently staff these positions has previously impacted equipment utilization and availability, which has, at times, negatively impacted our production and financial performance. The availability of qualified labor and Leducor's ability to hire and retain these individuals may impact our operations.

***Land reclamation requirements for our properties requires us to post cash, bonds or other surety to guarantee the cost of post-mining reclamation, which may add significant costs to our operations and delays in our projects.***

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mining and exploration companies in order to minimize long term effects of land disturbance, and to re-establish pre-mining or other acceptable land uses. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents;
- treat ground and surface water to non-degradation standards; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In the United States, the BLM requires that mining operations on lands subject to its regulation obtain an approved plan of operations subject to environmental impact evaluation under NEPA. Any significant modifications to the plan of operations may require the completion of an environmental assessment or Environmental Impact Statement prior to approval. Mining companies must post a bond, cash, letter of credit or other similar surety to guarantee the cost of post-mining reclamation. Cash collateral obligations to secure the bonds are typically required and may be increased by the Surety at any point in time up to the face value of the bond. These requirements could add significant additional cost, adversely affect our financial position and delay any mining project undertaken by us. For our properties in Nevada, we are required to annually update our reclamation obligations with the state and BLM based on updated operating plans and cost information that is supplied by the state. The annual reviews could lead to increases in our bonding obligations. We set up provisions for our reclamation obligations on our properties, as appropriate, but these provisions may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected. Our mineral exploration operations are required to be covered by reclamation bonds deemed adequate by regulators to cover these risks. We believe we currently maintain adequate reclamation bonding for our operations.

***Our surety contracts provide that the surety may require additional cash collateral up to the full amount of our outstanding reclamation bonds.***

As a part of the permitting process for the Pan Mine, the Company is currently required to have a reclamation bond of approximately \$15.98 million held with the BLM. The Company purchased a surety contract for the reclamation bond, which requires collateral to be posted into an escrow account as security for abandonment and remediation obligations. The bonds are secured by an indemnity agreement with customary terms and includes the ability of the surety, who may in its sole discretion, demand additional cash collateral up to the full amount of the bonds. Such a demand would negatively impact our business and finances and there can be no assurances that such a demand will not be made.

***We cannot assure you that we will have an adequate supply of water to expand operations at any of our properties.***

Future operations at our properties may require additional water rights for mining purposes. There is no assurance that the Company will be able to maintain or secure the necessary water rights to support planned development and operations. An inadequate water supply or lack of affordable water supplies could prevent, delay or disrupt our exploration and development plans.

Mining operations at our properties require significant quantities of water for construction and development, mining, ore processing and related support facilities. Continuous production and development is dependent on our ability to acquire and maintain water rights. Shortages in water supply could result in production and processing interruptions. The loss of some or all water rights, in whole or in part, or ongoing shortages of water to which we have rights or significantly higher costs to obtain sufficient quantities of water (or the failure to procure sufficient quantities of water) could result in our inability to maintain production at current or expected levels, require us to curtail or shut down mining production and could prevent us from pursuing expansion or development opportunities, which could adversely affect our results of operations and financial condition.

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### **Management's Discussion and Analysis**

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#### ***Foreign Operations***

Although Chile has a long-standing tradition respecting the rule of law, no assurances can be given that any future plans or operations will not be adversely affected by future developments in Chile. Operations in Chile are exposed to various levels of social, political, economic, legal and fiscal risks and uncertainties. Such risks and uncertainties include expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; the risks of civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; ability of governments to unilaterally alter agreements; government imposed supply laws; surface land access issues; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from within the region. The government in Chile faces ongoing problems of inflation, unemployment and ongoing political and social issues. Recent political turmoil in Chile has further impacted the willingness of parties to invest, and finance exploration and development of mineral properties in Chile. If Chile's economy stagnates, suffers a recession, or social unrest continues, any potential future activities will be adversely affected.

***The Company's future growth will depend upon its ability to develop new mines, either through exploration and development at existing properties or by acquisition of other mining properties.***

Because mines have limited lives based on proven and probable ore reserves, the Company's ability to achieve significant additional growth in revenues and cash flows will depend upon success in further developing existing properties and the opportunistic acquisition or development of new mining properties. While production at Pan is the primary source of the Company's revenue, we will need to expand production over time through the expansion of resources and reserves at Pan through continued drilling or by advancing or acquiring other producing properties.

#### ***The development and advancement of our Gold Rock Project involves substantial risk***

The Company cannot assure that it will be able to successfully develop and start-up new mining properties, including its Gold Rock project. The Gold Rock PEA includes numerous assumptions and the use of Inferred Resources in the mine plan and economic model. Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and to be used in an economic analysis except as allowed for by NI 43-101 in PEA studies. There is no guarantee that Inferred Resources can be converted to Indicated or Measured. There is no guarantee that our current development work, including drilling and metallurgical testing, at the project will be successful or that we will progress the project to a feasibility study. The advancement of the Gold Rock project will depend upon a variety of factors, including successful exploration and testing results, availability of funding for advancement, market conditions and other risks associated with the development of advancement of our mineral properties generally.

#### ***Golden Eagle Project***

The Mineral Resource Estimate for the Golden Eagle project assumes that development will involve obtaining an agreement with the adjacent landowner for operations, while the mineralization is within the Company's mineral titles. Delays in, or failure to obtain, an agreement with the Adjacent Owner to conduct mining operations on its mineral titles would affect the development of a significant portion of the mineral resources of the Golden Eagle Project that are not included in the Mineral Resource Estimate, in particular by limiting access to significant mineralized material at depth.

***Forward sales, royalty arrangements, and certain derivative instruments can result in limiting the Company's ability to take advantage of increased metal prices while increasing its exposure to lower metal prices.***

The Company may enter into arrangements under which it agrees to make royalty or similar payments to lenders or other third parties in amounts that are based on expected production and price levels for precious metals. The Company will consider such arrangements when it concludes that they provide it with necessary capital to develop a specific mining property or to achieve other business objectives. Royalty or similar payment obligations, however, can limit the Company's ability to realize the full effects of rising precious metal prices and may require the Company to make potentially significant cash payments if the mine fails to achieve specified minimum production levels. For a description of the existing royalties on the properties we hold see the "Overview of the Properties" section above.

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From time to time, the Company may and has entered into price risk management contracts to protect against fluctuations in the price of gold, foreign currency rates and changes in the prices of fuel and other input costs. These contracts could include forward sales or purchase contracts, futures contracts, purchased or sold put and call options and other derivative instruments.

The use of derivative instruments can expose the Company to risk of an opportunity loss and may also result in significant mark-to-market fair value adjustments, which may have a material adverse impact on reported financial results. The Company is exposed to credit risk with contract counterparties, including, but not limited to, sales contracts and derivative contracts. In the event of non-performance in connection with a contract, the Company could be exposed to a loss of value for that contract.

***The Company is dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration.***

The Company's information technology systems used in its operations are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. Cybersecurity incidents, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data. Given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, claims and litigation, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on cash flows, financial condition or results of operations.

The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into operations. System modification failures could have a material adverse effect on the Company's business, financial position and results of operations.

## **Regulatory Risks**

### ***Regulatory Risks and Uncertainties***

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Compliance with environmental regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. Any breaches of environmental laws could materially and adversely affect us. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. We may be subject to potential legal claims which, if determined adversely to us, could have a material effect on us and/or our financial condition. We may be required to compensate persons suffering loss or damage as a result of any infringement of applicable laws or regulations.

We may also be required to obtain certain other property rights to access, or use, certain properties in order to proceed with mining activities. There can be no assurance that all licenses, permits or property rights which we may require for any exploration or development of mining operations will be obtainable, maintained or renewed on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that we have obtained, could have a material adverse effect on us by delaying or preventing or making more expensive exploration, development and/or production.

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We will continue to be subject to all the risks associated with establishing new mining operations, including: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and cost of skilled labor and mining equipment; the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits; the availability of funds to finance construction and development activities; potential opposition from non-governmental organizations, indigenous peoples, environmental groups or local groups which may delay or prevent development activities; and potential increases in construction and operating costs due to changes in the costs of fuel, power, materials and supplies.

It is common in new and existing mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, there could be delays or unexpected changes in gold production during the start-up of the circuit leading to a possible negative impact on revenue and operating cash flow. In addition, delays in the early stages of mineral production often occur. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at our mineral properties.

***Our business is subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of noncompliance, which could have an adverse effect on our share price.***

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including applicable Canadian and U.S. authorities and the IASB. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. Our efforts to comply with new regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

***We incur increased costs as a result of operating as a public company and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.***

As a public company, we incur significant legal, accounting and other expenses. The British Columbia Securities Commission, the Consumer Protection Act, the listing requirements of the TSX-V and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costlier. For example, these rules and regulations make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. We cannot predict or estimate the full amount of additional costs we will continue to incur as a public company or the timing of such costs.

***We Rely on Exemptions from the Registration Requirements of the U.S. Securities Act and U.S. Exchange Act but cannot assure that such exemptions will be available to us in the future***

We believe we are a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and Rule 3b under the Exchange Act. As a foreign private issuer, we are exempt from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal unitholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, including the filing of quarterly reports or current reports on Form 8-K. We will be required to review our status as a "foreign private issuer" annually, and, if we no longer meet this definition, will be required to incur increased costs and risks associated with complying with certain provisions of the Securities Act and Exchange Act. The Company may be subject to more restrictive capital raising provisions if it loses its foreign private issuer status which may limit the ability of the Company to access capital markets in the future.



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### ***There are currently differences in U.S. and Canadian practices for reporting reserves and resources***

Certain of the technical reports referenced in this MD&A use the terms “mineral resource,” “measured mineral resource,” “indicated mineral resource” and “inferred mineral resource”. We advise investors that these terms are defined in and required to be disclosed in accordance with Canadian NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) – *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. As a reporting issuer in Canada, we are required to prepare reports on our mineral properties in accordance with NI 43-101. We reference those technical reports in this MD&A for informational purposes only, and such reports are not incorporated herein by reference.

Under the United States Securities and Exchange Commission's (the “SEC”) Industry Guide 7, as currently in effect (“Guide 7”), the terms “indicated mineral resource” and “inferred mineral resource” are not defined, and United States companies have historically not been permitted to disclose mineral resources of any category in documents they file with the SEC. Under Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves, and the primary environmental analysis or report must be filed with the appropriate governmental authority. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by Guide 7 standards as in place tonnage and grade without reference to unit measures.

The SEC has adopted amended mineral property disclosure requirements for SEC reporting issuers under the “Modernization of Property Disclosures for Mining Registrants” (the “New Rules”), which became effective February 25, 2019 and, following a two-year transition period, will replace Guide 7. Under the New Rules, the definitions of “proven mineral reserves” and “probable mineral reserves” have been amended to be substantially similar to the corresponding Canadian standards and the SEC has added definitions to recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” which are also substantially similar to the corresponding Canadian standards; however, there are differences in the definitions under the New Rules and the Canadian standards. Although we are not an SEC reporting issuer and we are not required to comply with these New Rules, our disclosure related to our mineral properties in compliance with the requirements of NI 43-101 differ and will continue to differ from the disclosure of SEC reporting issuers under the New Rules.

Investors are cautioned not to assume that any part or all of mineral deposits in the above categories will ever be converted into Guide 7 compliant reserves or reserves or resources under the New Rules. Information contained herein concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public under Guide 7 or the New Rules by United States companies in SEC filings.

### ***Environmental Risks and Hazards***

Our activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by us to comply fully with all applicable laws and regulations could have significant adverse effects on us, including the suspension or cessation of operations.

**U.S. Federal Laws:** The Comprehensive Environmental, Response, Compensation, and Liability Act (“CERCLA”), and comparable state statutes, impose strict, joint and several liabilities on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act (RCRA), and comparable state statutes, govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed.

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The Clean Air Act, as amended, restricts the emission of air pollutants from many sources, including mining and processing activities. Our mining operations may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the Clean Air Act and state air quality laws. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on our production levels or result in additional capital expenditures in order to comply with the rules.

The NEPA process requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed actions, including issuance of permits to mining facilities, and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an EIS. The United States Environmental Protection Agency ("EPA"), other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the Draft and Final EIS. This process can cause delays to the issuance of the ROD or other required permits or result in required changes to a project to mitigate its potential environmental impacts, which can in turn impact the economic feasibility of a proposed project.

The Clean Water Act ("CWA"), and comparable state statutes, impose restrictions and controls on the discharge of pollutants into Waters of the United States, or Waters of the State. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA regulates storm water from mining facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill materials in wetlands and other Waters of the United States or Waters of the State unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The Safe Drinking Water Act ("SDWA") and the Underground Injection Control ("UIC") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by mining related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SDWA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Nevada Laws: At the state level, mining operations in Nevada are also regulated by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection. Nevada state law requires mine operators to hold Nevada Water Pollution Control Permits, which dictate operating controls and closure and post-closure requirements directed at protecting surface and ground water. In addition, operators are required to hold Nevada Reclamation Permits. These permits mandate concurrent and post-mining reclamation of mines and require the posting of reclamation bonds sufficient to guarantee the cost of mine reclamation. We have set up a provision for our reclamation bond at the Pan Mine and exploration activities at our Gold Rock project. Compliance with this and other federal and state regulations could result in delays in beginning or expanding operations, incurring additional costs for investigation or cleanup of hazardous substances, payment of penalties for non-compliance or discharge of pollutants, and post-mining closure, reclamation and bonding, all of which could have an adverse impact on our financial performance and results of operations.

Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination and landfill operations. Any changes to these laws and regulations could have an adverse impact on our financial performance and results of operations by, for example, requiring changes to operating constraints, technical criteria, fees or surety requirements.

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***The operations at our Pan Mine are subject to the Federal Mine Safety and Health Act and violations could lead to costs, delays and suspensions that may negatively affect our business.***

U.S. surface and underground mines, like the Pan Mine, are continuously inspected by MSHA, whose inspections often lead to notices of violation. The Company's mines could be subject to a temporary or extended shutdown as a result of a violation alleged by MSHA. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may be subject to civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Any such penalties, fines, sanctions or shutdowns could have a material adverse effect on the Company's business and results of operations.

***Legislation has been proposed that would significantly affect the mining industry.***

Members of the United States Congress have repeatedly introduced bills which would supplant or alter the provisions of the General Mining Law. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact our ability to develop mineralized material on unpatented mining claims. Such bills have proposed, among other things, to either eliminate or greatly limit the right to a mineral patent and to impose a federal royalty on production from unpatented mining claims. Although we cannot predict what legislated royalties might be, the enactment of these proposed bills could adversely affect the potential for development of unpatented mining claims and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect our financial performance.

***Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.***

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change and the potential impacts of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including increased energy costs, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation.

The potential physical impacts of climate change on our operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material. These potential impacts may adversely impact the cost, production and financial performance of our operations.

***Land reclamation requirements for our properties may be burdensome and expensive.***

In order to carry out reclamation obligations imposed on us in connection with our potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. We set up provisions for our reclamation obligations on our properties, as appropriate, but these provisions may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

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Mineral ores and mineral products, including gold and silver ore and products, contain naturally occurring impurities and toxic substances. Although we have implemented procedures that are designed to identify, isolate and safely remove or reduce such impurities and substances, such procedures require strict adherence and no assurance can be given that employees, contractors or others will not be exposed to or be affected by such impurities and toxic substances, which may subject us to liability. Standard operating procedures may not identify, isolate and safely remove or reduce such substances. Even with careful monitoring and effective control, there is still a risk that the presence of impurities or toxic substances in our products may result in such products being rejected by our customers, penalties being imposed due to such impurities or the products being barred from certain markets. Such incidents could require remedial action and could result in curtailment of operations. Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be handled and used without negatively affecting health or the environment may impact our operations and markets. These potential compliance costs, litigation expenses, regulatory delays, remediation expenses and operational costs could negatively affect our financial results.

***Our operations are subject to numerous governmental permits that are difficult to obtain and we may not be able to obtain, maintain or renew all of the permits we require, or such permits may not be timely obtained or renewed.***

In the ordinary course of business, we are required to obtain, maintain, and renew governmental permits for our operations, including in connection with our mining and exploration plans at the Pan Mine and our exploration properties. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving costly undertakings by us. Future developments or changes in our operating plan, including expansion of our operations, may require amendments to our permits, involving the same or similar process. The duration and success of our efforts to obtain and renew, or if necessary, amend, permits are contingent upon many variables not within our control, including the interpretation of applicable requirements implemented by the permitting authority and intervention by third parties in any required environmental review. We may not be able to obtain or renew permits that are necessary to our operations on a timely basis or at all, and the cost to obtain or renew permits may exceed our estimates. Failure to comply with the terms of our permits may result in injunctions, fines, suspension or revocation of permits or other penalties. We can provide no assurance that we have been, or will at all times, be in full compliance with all of the terms of our permits or that we have all required permits. The costs and delays associated with compliance with these permits and with the permitting process could delay or stop us from production at our Pan Mine, proceeding with the operation or development of a property or increase the costs of development or production and may materially adversely affect our business, results of operations or financial condition.

***We could incur substantial costs or disruptions to our business if we cannot obtain, renew or maintain the necessary authorizations and permits.***

In order to conduct our operations, we must obtain authorizations and permits from governmental authorities. Delays in obtaining authorizations or permits, failure to obtain an authorization or permit or receipt of an authorization or permit with unreasonable conditions or costs could have a material adverse effect on our ability to develop our gold projects. Delays in obtaining such permits may negatively impact our business and the failure to obtain necessary permits could result in an impairment of the carrying value of our projects. In addition to obtaining permits that are customary within the mining and natural resources industries, we will require government approvals in the ordinary course of business, such as building permits, fire permits and authorizations from local governments.

***We are subject to significant governmental regulations, which affect our operations and costs of conducting our business.***

Our current and future operations are and will be governed by laws and regulations, including:

- laws and regulations governing mineral acquisition, prospecting, development, mining and production;
- laws and regulations related to taxes and fees;
- labor standards and regulations related to occupational health and mine safety;
- environmental standards and regulations related to waste disposal, toxic substances, land use, reclamation and environmental protection; and
- other matters.

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Companies engaged in exploration, development and production activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. We may be required to compensate those suffering loss or damage by reason of our exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation, could have a material adverse impact on our business and cause increases in capital expenditures or require abandonment or delays in exploration.

***Public opinions may change and opposition to our projects could result in increased operating costs, which could have a material adverse effect on our business.***

Given the emotion, political significance and uncertainty around the environmental consequences of mining on public land, we cannot predict how public opposition could affect legislation and regulation or how this might affect our financial condition, operating performance and ability to compete. Furthermore, even without such current opposition, increased awareness and any adverse publicity in the global marketplace about potential environmental impacts by us or other companies in our industry could harm our reputation. A poor reputation in the mining industry directly affects the ability of any mining company to obtain future permits, renew existing permits and/or obtain bonding instruments for the reclamation of our projects. These impacts may adversely impact the cost, production and financial performance of our operations.

## **Market and Other Risks**

***Our operations may be further disrupted, and our financial results may be adversely affected by the novel coronavirus pandemic.***

The 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, poses a material risk to our business and operations.

The Company's exploration, development and production activities may be affected by existing or threatened medical pandemics, such as COVID-19. A government may impose strict emergency measures in response to the threat or existence of an infectious disease, such as the emergency measures imposed by governments of many countries and states in response to the COVID-19 virus pandemic. As such, there are potentially significant economic and social impacts of infectious diseases, including but not limited to the inability of the Company to develop and operate as intended, labor shortages of our workforce due to sickness or quarantine periods and shortage of skilled employees or labor unrest, inability to access sufficient healthcare, significant social upheavals or unrest, disruption to operations, supply chain shortages or delays, travel restrictions, government or regulatory actions or inactions (including but not limited to, changes in taxation or policies, or delays in permitting or approvals, or mandated shut downs), declines in the price of precious metals, capital markets volatility, availability of credit, loss of investor confidence and impact on economic activity in affected countries or regions. In addition, such pandemics or diseases represent a serious threat to maintaining a skilled workforce in the mining industry and could be a major health-care challenge for the Company.

The current COVID-19 pandemic may impact operations at our Pan Mine. The refiner upon which the Company relies to refine and process and, in some cases, purchase the gold and silver doré produced by the Company's Pan Mine, are also subject to these risks and may be required to reduce or suspend operations, which could impact the Company's ability to sell its products to buyers and generate revenues. The Company's contractors and suppliers for the Pan Mine, including our mining contractor, are similarly subject to these risks and, if a pandemic impacts their ability to supply the Pan Mine with goods and services, it could have significant adverse impacts on our ability to conduct operations and could result in a suspension of mining. While we are currently permitted to conduct mining operations in Nevada as an essential business, there can be no assurance that we will be permitted to do so in the future during the COVID-19 pandemic or future pandemics. New and changing government actions to address the COVID-19 pandemic have been occurring on a regular basis.

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We have taken several precautions at each of the Company's locations focused on reducing the risk of transmitting the virus and keeping our workforce safe and healthy. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described herein such as those relating to our operation and financing. Because of the highly uncertain and dynamic nature of events relating to the COVID-19 pandemic, it is not currently possible to estimate the impact of the pandemic on our business. However, these effects could have a material impact on our operations, and we continue to monitor the COVID-19 situation closely.

***Volatility in the Market Price of the Company's Securities***

Our shares are listed on the TSX-V and OTCQB. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of our shares is also likely to be significantly affected by short-term changes in gold prices, by our financial condition or results of operations as reflected in our quarterly financial statements and by other operational and regulatory matters. As a result of any of these factors, the market price of our shares at any given point in time may not accurately reflect their long-term value.

***We may have difficulty managing growth in our business, which could adversely affect our financial condition and results of operations.***

We will have to grow significantly to achieve our business plan. If we are able to achieve significant growth in the size and scope of our operations, that could place a strain on our financial, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrences of unexpected expansion difficulties, including the failure to recruit and retain experienced managers, geologists, engineers and other professionals in the mining industry, could have a material adverse effect on our business, financial condition and results of operations and our ability to timely execute our business plans.

***Liquidity and Counterparty Risk***

We are exposed to liquidity and various counterparty risks including, but not limited to financial institutions that hold our cash, companies that have payables to us, including refineries, insurance providers, lenders and other banking counterparties.

These factors may impact our ability to obtain loans and other credit facilities in the future and, if obtained, on favorable terms. Furthermore, actions taken by central banks to impact fiscal and monetary policies have increased levels of volatility and market turmoil. As a result of this uncertainty, planned growth could be adversely impacted, and the trading price of the Company's securities could be adversely affected.

***A significant delay or disruption in sales of gold doré as a result of an unexpected disruption in services provided by refiners or other third parties could have a material adverse effect on results of operations.***

Any delay or loss of access to refiners may significantly impact the Company's ability to sell its doré and concentrate products and generate revenues. The Company cannot ensure that alternative refiners would be available or offer comparable terms if the need for them were to arise or that it would not experience delays or disruptions in sales that would materially and adversely affect results of operations.

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***Risks Associated with Potential Acquisitions***

We may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of our business and may expose us to new geographic, political, operating, financial and geological risks. Our success in acquisition activities depends on our ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with ours. Ultimately, any future acquisitions would be accompanied by risks. We may need additional capital to finance any such acquisitions. Debt financing related to acquisitions would expose us to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where we contemplate conducting exploration activities. We may be at a disadvantage in our efforts to acquire quality mining properties as we must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs.

We cannot provide assurance that we can complete any acquisition or business arrangement that we pursue, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit our business. Furthermore, there can be no assurance that we would be successful in overcoming the risks identified above or any other problems encountered in connection with such acquisitions.

***We do not intend pay dividends on our Common Shares in the foreseeable future.***

We currently intend to retain cash flow for use in the operation and expansion of our business and we do not intend to pay dividends on our Common Stock in the foreseeable future.

***We may issue shares of preferred stock that could adversely affect holders of Common Shares.***

Our Board of Directors has the power, without shareholder approval and subject to the terms of our articles, to set the terms of any classes or series of shares of share that may be issued, including voting rights, dividend rights, conversion features, preferences over shares of our Common Shares with respect to dividends or upon liquidation, dissolution, or winding up of the business. If we issue preferred shares in the future that have a preference over Common Shares with respect to the payment of dividends or upon liquidation, dissolution or winding up, or if we issue shares of preferred share with voting rights that dilute the voting power of Common Shares, the rights of holders of Common Shares or the trading price of our Common Shares could be adversely affected.

***Future issuances of debt securities, which would rank senior to our Common Shares upon a bankruptcy or liquidation, and future issuances of preferred shares, which could rank senior to our Common Shares for the purposes of dividends and liquidating distributions, may adversely affect the level of return you may be able to achieve from an investment in our Common Shares.***

In the future, we may attempt to increase our capital resources by offering debt securities. Upon a bankruptcy or liquidation, holders of our debt securities, and lenders with respect to other borrowings we may make, would receive distributions of our available assets prior to any distributions being made to holders of our Common Shares. Because our decision to issue debt securities in any future offering, or borrow money from lenders, will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any such future offerings or borrowings. Holders of our Common Shares must bear the risk that any future offerings we conduct or borrowings we make may adversely affect the level of return they may be able to achieve from an investment in our Common Shares.

***Cash Flows***

Our ability to generate positive operating cash flow depends upon a number of factors, including, among others, the worldwide market price of gold, the quantity of gold available for sale, the timing of the receipt of funds from the sale of gold sold, and successful operations at the Pan Mine.

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***Uncertainty of Additional Funding***

The exploration, development and continued operations of the Company's properties, including continuing exploration and development projects at the Gold Rock Mine, operations and continued operations, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of our properties or even a loss of a property interest. When such additional capital is required, we plan to pursue sources of such capital through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. We may not be successful in locating suitable financing transactions in the time period required or at all, we may not obtain the capital required by other means and failure to raise capital when needed would have a material adverse effect on our business, financial condition and results of operations. If we do succeed in raising additional capital, future financings are likely to be dilutive to shareholders, as additional Common Shares or other equity will most likely be issued to investors in future financing transactions. In addition, debt and other mezzanine financing may involve a pledge of assets and may be senior to interests of equity holders. We may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold industry in particular), the Company's market capitalization being below its planned future capital requirements if it were to construct all of its development assets, and price of gold on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management. Further, if gold price on the commodities markets decreases, then revenues will likely decrease, and such decreased revenues may increase the requirements for capital. Some of the contractual arrangements governing our exploration activity may require commitment to certain capital expenditures, and we may lose contract rights if we do not have the required capital to fulfill these commitments. If the amount of capital raised from financing activities, together with cash flow from operations, is not enough to satisfy capital needs (even to the extent that operations are reduced), we may be required to cease operations.

***Competition***

We face competition from a number of large established companies which have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. Our ability to locate and increase resources and reserves in the future will depend not only on our ability to explore and develop our existing mineral properties, but also on our ability to select, acquire and develop suitable future properties or prospects. As a result of this competition, we may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, our prospects, revenues, operations and financial condition could be materially adversely affected.

***Infrastructure***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, natural disaster, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition and results of operations.

***Insurance***

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available, we may decide to not take out insurance against such risks. We are not currently covered by any form of environmental liability insurance, or political risk insurance, since insurance against such risks (including liability for pollution) may be prohibitively expensive. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in our value. We may have to suspend operations or take cost interim compliance measures if we are unable to fully fund the cost of remedying an environmental problem, if it occurs.



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***Uninsured Risks***

The mining industry is subject to significant risks that could result in damage to, or destruction of, without limitation, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible litigious suits. Where it considers it feasible to do so, we will maintain insurance in amounts that we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, our insurance policies may not provide coverage for all losses related to our business operations, including environmental liability insurance, or political risk insurance, since insurance against such risks (including liability for pollution) may be prohibitively expensive. The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on our profitability, results of operations and financial condition.

***Corruption and Bribery Laws***

Our operations are governed by, and involve interactions with, many levels of government in numerous countries. We are required to comply with anti-corruption and anti-bribery laws, including the Canadian Criminal Code, and the Canadian Corruption of Foreign Public Officials Act, and the U.S. Foreign Corrupt Practices Act as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although we will adopt steps to mitigate such risks, including the implementation of training programs, internal monitoring, reviews and audits, and policies to ensure compliance with such laws, such measures may not always be effective in ensuring that the Company, our employees, contractors or third-party agents will comply strictly with such laws. If we are subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation and results of our operations.

***Current Global Financial Economy***

There are significant uncertainties regarding the price of gold and silver and the availability of equity financing for the purposes of mineral exploration and development. Our future performance will be largely tied to the operation of the Pan Mine, the development of the Pan Mine, and the commodity and financial markets. Financial markets are likely to continue to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. These economic trends may limit our ability to develop and/or further explore the mineral properties in which we currently, or may in the future, hold an interest. If these increased levels of volatility and market uncertainty continue, our operations and the price of our shares could be adversely impacted.

***Currency Risk***

We are exposed to currency risk only to the extent that monetary assets and liabilities we hold are not denominated in U.S. dollars. We have not entered into any foreign currency contracts to mitigate this risk. Certain of our cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are denominated in Canadian dollars or Chilean Pesos. Therefore, these amounts are subject to fluctuation against the U.S. dollar. We also have transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the U.S. dollar.

***Employee Recruitment and Retention***

Recruiting and retaining qualified personnel is critical to our success. We are dependent on the services of key executives and other highly skilled personnel focused on managing our interests. The number of persons skilled in the acquisition, development, and operation of mining properties is limited and competition for such persons is intense. As our business activity grows, we will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. Recent hiring for qualified operations and maintenance personnel has become increasingly difficult, especially in Nevada, and could impact our operations. There is no assurance that we, or any of our contractors, will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If we are not successful in attracting, training and retaining qualified personnel, the efficiency of our operations could be impaired, which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

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#### ***Dependence upon Availability of Supplies***

Certain raw materials and supplies used in connection with our operations are obtained from a limited group of suppliers. An increase in global demand for such resources and a corresponding decrease in the supplier's inventory will likely cause unanticipated cost increases, an inability to obtain adequate supplies and delays in delivery times, thereby impacting operating costs, capital expenditures and our production schedule. Although we intend to ensure that we have a contingency plan in place, if a supplier is unable to adequately meet our operating needs over a significant period of time this could have a material adverse effect on our business, results of operations and financial condition.

In addition, our future drilling activities, if any, may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that we will be able to acquire the necessary resources to successfully implement or carry out our on-going business plan.

#### ***Conflicts of Interest***

Certain directors and/or officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in the British Columbia Business Corporations Act and other applicable laws.

#### **Tax Risks**

##### ***Taxable Income of the Company may be subject to tax in both the United States and Canada***

We are treated as a U.S. corporation for U.S. federal income tax purposes following the Arrangement. We are also a Taxable Canadian Corporation for purposes of the Income Tax Act (Canada) (the "Tax Act"). As a result, and subject to the discussion below, certain taxable incomes could be subject to both Canadian and United States federal income tax, which could give rise to double tax because it is unlikely that tax paid to one country will be creditable against the tax owed to the other country, and a deduction, if available, would not fully offset the tax liability.

Our income for purposes of the Tax Act will include any Foreign Accrual Property Income ("FAPI") realized by a Controlled Foreign Affiliate (a "CFA") and any dividends received from a Foreign Affiliate. For this purpose, each of our wholly-owned subsidiaries will be a Foreign Affiliate and a CFA.

Any FAPI earned by a CFA of the Company must be included in computing our income for the taxation year of the Company in which the taxation year of the CFA ends, whether or not we actually receive a distribution of FAPI in the taxation year. To the extent that foreign tax (i.e., U.S. tax or Chilean tax) is paid by the CFA in respect of the FAPI, we will be entitled to claim a deduction against the FAPI for grossed-up Foreign Accrual Tax as computed in accordance with the Tax Act. The adjusted cost base to us of the shares of the first-tier CFA in the ownership chain holding the CFA that realized the FAPI will be increased by the net amount included in our income in respect of the FAPI. At such time as we receive a dividend of amounts that were previously included in our income as FAPI, there will be a corresponding reduction in the adjusted cost base to the Company of the shares of the first-tier CFA and distributions received by the Company will not generally be subject to additional tax under the Tax Act.

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We may also receive dividends from a Foreign Affiliate. For the purposes of the Tax Act, each such dividend will be considered to be paid from the Foreign Affiliate's Exempt Surplus, Taxable Surplus, Hybrid Surplus or Pre-Acquisition Surplus. We will generally be entitled to deduct an amount equal to the portion of the dividend prescribed to have been paid out of the Foreign Affiliate's Exempt Surplus or Pre-Acquisition Surplus. The adjusted cost base to the Company of its shares in the Foreign Affiliate will be reduced to the extent that a dividend paid by the Foreign Affiliate is considered to be paid out of the Foreign Affiliate's Pre-Acquisition Surplus. If the adjusted cost base to the Company of the shares in the Foreign Affiliate would become a negative amount, the Company will be deemed to realize a capital gain equal to such amount for that year. In the event that we receive a dividend from a Foreign Affiliate that is prescribed to have been paid out of Taxable Surplus or Hybrid Surplus, we will only be entitled to deduct amounts in respect of such dividend as prescribed in the Tax Act. It is anticipated that any dividends we receive from a Foreign Affiliate should be considered to have been paid out of the Foreign Affiliate's Exempt Surplus or Pre-Acquisition Surplus (such dividends from Pre-Acquisition Surplus not expected to exceed our adjusted cost base in the shares of the Foreign Affiliate). Accordingly, it is not expected that we will be subject to a material amount of Canadian tax on dividends received from a Foreign Affiliate.

#### ***The availability of net operating losses and other tax attributes may be limited***

The Company has U.S. federal income tax attributes. Code Section 382 limits a corporation's ability to utilize certain U.S. federal income tax attributes following a Code Section 382 ownership change. As a result of the Expatriation Transaction, the Company inherited GRP's NOLs and other U.S. federal income tax attributes. GRP had a Section 382 ownership change in June 2016, which limited a small amount of pre-change NOLs. If the Company undergoes an additional Code Section 382 ownership change, U.S. federal income tax attributes may be limited to a greater extent or in some cases eliminated. No assurances can be provided that a Code Section 382 ownership change will not occur as a result of future transactions or equity offerings.

#### ***Legislation has been proposed which would significantly increase mining taxes.***

Three constitutional resolutions seeking to drastically revise provisions governing the rate of tax upon the net, or potentially gross, proceeds of minerals extracted in Nevada were introduced and passed at the most recent Special Session of the Nevada Legislature. The three constitutional resolutions will be discussed during the upcoming regular session in 2021, with potential for one of the three to advance from the legislature and be voted on by the general public during the November 2021 general election. There is a risk that our mining taxes could increase, potentially significantly, if one or any of these amendments are adopted.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A includes "forward-looking statements" within the meaning of applicable securities laws. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business, plans for acquisitions and other statements that are not historical facts. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. These statements include, but are not limited to, comments regarding:

- the establishment and estimates of mineral reserves and resources;
- the grade of mineral reserves and resources;
- anticipated expenditures and costs in our operations;
- our expectations regarding gold recovery;
- anticipated gold revenues;
- our estimated future production, cost of production, sales and cost of sales;
- planned exploration activities and the anticipated outcome of such exploration activities;
- planned capital improvements or development activities on our Pan Mine;
- plans for development of the Gold Rock project, including those set forth in the Final EIS for the Gold Rock Mine Project and the Gold Rock PEA;
- plans for programs in support of a Gold Rock Feasibility Study and timing of the Feasibility Study;
- plans and anticipated timing for obtaining permits and licenses for our properties;
- anticipated closure costs;
- expected future financing and its anticipated outcome;
- expected financial performance, financial condition and financial prospects;

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- our outlook, goals, objectives, strategies and milestones;
- the transition period to optimize ore crushing and leaching processes;
- estimates of environmental liabilities;
- our ability to fund our estimated expenditure and capital requirements;
- anticipated benefits of improvements made to processes and plant;
- plans for sustaining and non-sustaining capital spend;
- our future business strategy, plans and goals;
- future activity and payments related to properties in Chile;
- anticipated planned production at development properties;
- anticipated liquidity to meet expected operating costs and capital requirements;
- the timing and amount of future estimated production;
- anticipated mining operations proceeds as planned;
- factors expected to impact our results of operations;
- ability to obtain permits and regulatory approvals;
- ability to operate during pandemics;
- the expected impact of the adoption of new accounting standards;
- plans to acquire additional properties and operations; and
- plans and statements made regarding crusher installation, financing and expected benefits.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “seeks”, “likely” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- uncertainty and risks related to fluctuations in gold, silver and other metal prices;
- uncertainty and risks related to actual production, development costs differing from technical reports and estimates;
- uncertainty and risks related to our mineral resource estimates being based on assumptions and interpretations and our properties yielding less mineral production under actual conditions than currently estimated;
- uncertainty and risks relating to feasibility studies;
- uncertainty and risks of estimated future production;
- uncertainty and risks of estimates future costs and cost estimates;
- uncertainty and risks of the Pan Mine crusher performance and throughput adequately covering operating costs;
- uncertainty and risks regarding construction of the phase III heap leach pad at the Pan Mine;
- uncertainty and risks related to good title of the Company's mineral properties;
- uncertainty and risks related to our ability to complete the Gold Rock state permitting process;
- uncertainty and risks related to exploration, development and operating;
- uncertainty and risks related to the availability of sufficient rocky ore to maintain permeability of our leach pads;
- risks related to our contract mining agreement with Ledcor CMI, Inc. and their ability to execute our mine plan and risks related to the renewal or non-renewal of the contract mining agreement;
- risks related to land reclamation requirements on our properties;
- risks related to the surety agreements;
- risks and uncertainty of adequate water supply to support or expand operations;
- uncertainty and risks related to operating in foreign countries;
- uncertainty and risks related to the Company's ability to generate sufficient cashflow to fund our long-term business plan;
- uncertainty and risks related to the development and advancement of mining properties, including Gold Rock;
- uncertainty and risks of obtaining an agreement with an adjacent land owner for development of our Golden Eagle project;
- risks related to certain contracts limiting the Company's ability to benefit from increased metal prices;
- risks related to the dependence on information technology systems;

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- risks related to government regulations that could affect our operations and costs;
- risks related to the costs associated with complying with public company regulations;
- risks related to our reliance on exemptions allowed for within certain U.S. securities regulations;
- risks related to current differences in U.S. and Canadian practices for reporting reserves and resources;
- risks related to environmental regulations that may increase our costs of doing business or restrict our operations;
- risks related to Federal Mine Safety and Health Act inspections and potential violations;
- uncertainty and risks related to proposed legislation that may significantly affect the mining industry;
- uncertainty and risks related to pending legislation governing issues involving climate change;
- uncertainty and risks related to land reclamation requirements on our properties;
- uncertainty and risks related to our ability to acquire necessary permits and licenses to place our properties into production or expand our current operations;
- risks related to the governmental regulations included the requirement to remove and handle toxic substances;
- uncertainty and risks related to public opinions and the effect on our business;
- events such as natural disaster or outbreaks of disease (such as the worldwide pandemic of the novel strain of coronavirus (COVID-19));
- risks related to the volatility of the market price of our public securities;
- risks related to our inability to manage growth in our business adequately;
- risks related to liquidity and counterparty risk;
- uncertainty and risks related to potential service disruptions of gold refiners;
- risks and uncertainty related to potential acquisitions;
- risks related to our lack of dividend history in relation to our Common Shares;
- uncertainty and risk of future preferred share or debt offerings by us and the impact on current shareholders;
- risks related to our potential requirement for additional financing to fund exploration, development and, if warranted, production at our exploration properties;
- risks associated with our ability to generate on-going positive cash flows;
- risks related to competition in the mining industry and the need for additional capital;
- uncertainty and risks related to the effect of a shortage of equipment, labor and supplies on our ability to operate our business;
- risks related to our lack of insurance for certain high-risk activities;
- risks related to the high degree of risk and the possibility of uninsured losses due to the nature of mineral exploration and production activities;
- uncertainty and risks related to foreign corruption and bribery laws;
- uncertain and risks related to the current global financial economy;
- risks related to currencies with which the Company does business;
- risks related to our ability to attract and retain qualified management to meet our expected needs in the future;
- risks related to our directors and officers having conflicts of interest; and
- uncertainty and risks of changes in U.S., Nevada and Canadian tax rules, interpretations and the use of historical losses;

While we do not anticipate any disputes with Leducor, an unanticipated termination of their services or dispute could delay production and impair our business. Leducor's performance impacts our operating performance and production at the Pan Mine.

Guidance projections ("Guidance"), including, but not limited to, the production and cost guidance described within the *FY 2021 Guidance*, including gold production, ore grades, cash costs per ounce, Pan Mine AISC and Fiore Consolidated AISC are considered "forward-looking statements" and represent management's good faith estimates or expectations of future production results as of the referenced date. Guidance is based upon certain assumptions, including, but not limited to, metal prices, commodity prices, mining costs, productivities, mineral estimates, metallurgical recoveries, certain exchange rates and other assumptions. Such assumptions may prove to be incorrect and actual results may differ materially from those anticipated. Consequently, Guidance cannot be guaranteed. As such, investors are cautioned not to place undue reliance upon Guidance and forward-looking statements as there can be no assurance that the plans, assumptions or expectations upon which they are placed will occur.

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Certain forward-looking statements have been based upon the anticipated improved recoveries from the operations of the crushing circuit. If we do not obtain the estimated throughput or recoveries, or operating costs vary from our estimates, then such variations may negatively impact our operations and financial results.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under "Risks and Uncertainties" section and the "Management's Discussion and Analysis of Financial Condition and Results of Operations". Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. These risks are not intended to represent a complete list of the Risk and Uncertainties that could affect Fiore Gold. Although Fiore Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements included herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, and there can be no assurance that our forward-looking statements will prove to be accurate.

By its nature, forward-looking information is subject to risks and uncertainties. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. All forward-looking statements, expressed or implied, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

The forward-looking statements are made as of the date of this MD&A and, we do not assume any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

**FIORE GOLD COMPETENT PERSONS STATEMENT**

The scientific and technical information relating to operational activity of Fiore Gold's geographically located U.S. properties contained in this MD&A was approved by J Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101 and information relating to exploration activity of Fiore Gold's geographically located U.S. properties contained in this MD&A was approved by Paul Noland (C.P.G.), Fiore Gold's Vice President of Exploration and a "Qualified Person" under National Instrument 43-101.

Scientific and technical information referred herein has been extracted from and is hereby qualified by reference to the technical reports for our projects. The technical reports referenced herein are as follows: (1) an updated resource and reserve estimate for the Pan Mine, as disclosed in Fiore Gold's news release dated December 8, 2020 and titled "Fiore Gold Reports Two Year Mine Life Extension at its Pan Mine, Nevada" with an effective date of June 30, 2020, which disclosure was approved by Michael B. Dufresne, M.Sc., P.Geol., P.Geo., a Principal in APEX Geoscience Ltd., and Justin Smith, P.E. Mining BSc., SME-RM, a Senior with SRK Consulting (U.S.) Inc. (2) the report titled "Technical Report on the Preliminary Economic Assessment of the Gold Rock Project, White Pine County, Nevada, USA", with an effective date of March 31, 2020, which was prepared by Michael B. Dufresne, M.Sc., P.Geol., P.Geo., Gregory B. Sparks, B.Sc., P.Eng., Sam J. Shoemaker, Jr. .S., SME Registered Member, Warren E. Black, M.Sc., P.Geo. and Steven Nicholls, BA.Sc., MAIG.

**ADDITIONAL INFORMATION**

Additional information relating to the Company, including a copy of the Company's Annual Information Form, is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.fioregold.com](http://www.fioregold.com).