



Management's Discussion and Analysis of Operations and Financial Condition

For the year ended December 31, 2021

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Management's Discussion and Analysis of Operations and Financial Condition

This Management's Discussion and Analysis of Operations and Financial Condition ("MD&A") of i-80 Gold Corp. (the "Company" or "i-80 Gold") should be read in conjunction with the Company's audited consolidated financial statements (the "Financial Statements") for the twelve months ended December 31, 2021, and the notes thereto. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise stated, all amounts discussed herein are denominated in U.S. dollars. This MD&A was prepared as of March 28, 2022, and all information is current as of such date. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

This discussion provides management's analysis of the Company's historical operating and financial results and provides estimates of future operating and financial performance based on information currently available. Actual results may vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance. Cautionary statements regarding forward-looking information and mineral reserves and mineral resources can be found in the Sections titled "Cautionary Statements on Forward-Looking Statements" and "Technical Information" in this MD&A.

The Company has included certain non-IFRS financial performance measures, which the Company believes, that together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS financial performance measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar non-IFRS financial performance measures employed by other companies. The data 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. Descriptions and reconciliations associated with the non-IFRS financial performance measures can be found in the section titled "Non-IFRS Financial Performance Measures" in this MD&A.

Highlights

Fourth Quarter

- Completed the asset swap with Nevada Gold Mines for the Company's 40% interest in South Arturo in exchange for Lone Tree resulting in a one-time after tax gain of \$106.7 million
- Completed the acquisition of the Ruby Hill Mine
- Closed private equity placement for gross proceeds of \$81.4 million
- Completed the financing package with Orion and Sprott and funded \$60 million against the convertible debt
- Continued pre-development of the underground resource at Granite Creek

Year to Date

- Production of 14,330 ounces of gold and 1,715 ounces of silver from 40% share of South Arturo
- Sales of 17,848 ounces of gold at an average realized price¹ of \$1,792 per ounce
- Cash costs¹ of \$1,084 per ounce of gold sold
- AISC¹ of \$1,296 per ounce of gold sold
- Revenue from discontinued operations of \$32.0 million
- Income from discontinued operations of \$11.6 million
- Completed the spin-out from Premier Gold Mines Limited and the acquisition of Granite Creek from Waterton
- Completed private placements and equity financing of \$103.1 million and \$63.7 million respectively

¹ See "Non-IFRS Financial Performance Measures" section of this MD&A.



OVERVIEW

Company Overview

i-80 Gold is a Nevada focused, growth-oriented gold and silver producer engaged in the exploration, development and production of gold and silver deposits. In the fourth quarter of 2021, the Company completed an asset exchange with Nevada Gold Mines and the acquisition of the Ruby Hill Mine, adding these producing mines to its other principal assets, the Granite Creek and McCoy-Cove Projects.

The Company was incorporated on November 10, 2020, in the province of British Columbia, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol IAU and on the OTCQX Best Market under the symbol IAUCF, and its head office is located at Suite 460, 5190 Neil Road, Reno, Nevada, 89502.

RECENT EVENTS

In October 2021, the Company completed the closing of several agreements to create a comprehensive Nevada mining complex through an Asset Exchange Agreement ("Asset Exchange") with Nevada Gold Mines LLC ("NGM"), the acquisition of the Ruby Hill Mine from Waterton Nevada Splitter, LLC and Waterton Nevada Splitter II, LLC ("Waterton" and "Ruby Hill"), and related equity and financing agreements with NGM, Equinox Gold Corp ("Equinox") and Orion Resource Partners ("Orion"). Each of these transactions are explained more fully below.

Asset Exchange with Nevada Gold Mines LLC

On October 14, 2021, the Company completed the Asset Exchange with NGM (a joint-venture between Barrick Gold Corporation and Newmont Corporation). The Asset Exchange resulted in the Company acquiring the Lone Tree and Buffalo Mountain gold deposits and certain processing infrastructure, including an autoclave, from NGM in consideration for: (i) the Company's 40% ownership in the South Arturo Property; (ii) assignment of i-80 Gold's option to acquire the adjacent Rodeo Creek exploration property; (iii) contingent consideration of up to \$50 million based on production from the Lone Tree property; and (iv) arrangement of substitute bonding in respect of the Lone Tree and Buffalo Mountain reclamation obligations. The Lone Tree and Buffalo Mountain Properties were acquired by i-80 Gold's wholly-owned subsidiary Goldcorp Dee LLC ("Goldcorp Dee").

In connection with the Asset Exchange, NGM also participated in a non-brokered private equity placement ("private placement") for 22,757,393 common shares of the Company which resulted in NGM owning approximately 9.9% of i-80 Gold following the closing of the private placement. The common shares were issued at a price of C\$2.62 per common share for proceeds of approximately C\$59.6 million (\$47.4 million). The issue price of C\$2.62 was the five-day volume-weighted average trading price of the Company's common shares on the Toronto Stock Exchange ("TSX") ending on September 2, 2021, which was the last trading date prior to the date of announcing the Asset Exchange. The private equity placement with NGM was part of a larger non-brokered private placement offering of common shares by i-80 (See "Private Placement" discussed below), which included Orion, and Equinox, who holds a right to exercise its anti-dilution rights.

NGM also reimbursed i-80 approximately \$7.3 million for amounts previously advanced by i-80 Gold for the autonomous truck haulage test work completed at South Arturo and for funds advanced by i-80 Gold that have not been used for reclamation activities.

The transaction with NGM provides i-80 Gold with important processing infrastructure including an autoclave, carbon-in-leach mill, flotation mill, a heap leach facility, an assay lab and gold refinery, a tailings dam, waste dump, and several buildings including a warehouse, maintenance shop and administration building. The Lone Tree infrastructure is located near interstate highway 80 as well as the Nevada northern railway and is approximately midway between i-80 Gold's Granite Creek and McCoy-Cove projects. Buffalo Mountain is located approximately 6 miles southwest of Lone Tree. NGM will provide i-80 Gold with interim processing capacity at its autoclave facilities, while the Lone Tree autoclave is being retrofitted, until the earlier of the three-year anniversary of the Asset Exchange and such time that the Lone Tree facility is operational and at its roaster facilities for a period of 10-years, subject in each case to extension by mutual agreement. If the Company restarts the processing of ore at Lone Tree, NGM will be entitled to receive the following contingent payments of up to \$50 million subject to the terms and conditions of the contingent consideration agreement:

- a. An amount equal to \$25.00 per recovered gold equivalent mineral reserve ounce identified in the feasibility study (the "Feasibility Study") for the restart of mining at the Lone Tree mine ("Initial Contingent Consideration"), payable in two equal installments six months and 18 months following the later of commencement of commercial production at Lone Tree and the completion of the Feasibility Study; and
- b. An amount equal to \$25.00 per ounce of produced gold in excess of the number of recovered gold equivalent mineral reserve ounces (the "Continuing Contingent Consideration"), payable within five days after the end of each calendar quarter during which a payment of Continuing Contingent Consideration accrues, provided that the aggregate of the Initial Contingent Consideration and the Continuing Contingent Consideration does not exceed \$50 million.

The legal transfer was effective June 1, 2021 and as such, the Company obtained the free cash flow from Lone Tree's operations from June 1, 2021 until October 14, 2021 and in exchange, NGM obtained the free cash flow of South Arturo's operation from June 1, 2021 until October 14, 2021. NGM also entered into a Subscription Agreement where NGM subscribed to \$47.4 million in the Company's common shares.

The Company determined that the Asset Exchange represents an asset acquisition. Transaction costs incurred with respect to the Asset Exchange totaled \$3.3 million.

The disposal of the Company's 40% interest in South Arturo created no gain or loss of control.



Components of consideration paid:	\$ million
Book value of South Arturo asset	\$ 42.8
NGM reimbursement	(7.3)
Transaction costs	3.3
Transfer payment	1.8
Total consideration	\$ 40.6

The underlying assets purchased and liabilities assumed were recorded at cost allocated based upon their relative fair values at the date of purchase. The table below presents the values of the assets purchased and liabilities assumed on the date of acquisition:

Net assets (liabilities) acquired:	\$ million
Cash	\$ 1.1
Inventory	3.5
Property, plant and equipment	166.5
Mineral property interests	65.5
Provision for environmental rehabilitation	(60.5)
Fair value of net assets acquired - Gross of tax	\$ 176.1
Taxes payable	(1.1)
Deferred tax liability	(27.7)
Fair value of net assets acquired - Net of tax	\$ 147.3

The fair value of property, plant and equipment, mineral property interests, and the provision for environmental rehabilitation were estimated using discounted cash flow models, comparable transactions, and other market-based information. Expected future cash flows are based on estimates of future gold and silver prices and projected revenues, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on life-of-mine plans at the acquisition date. The fair value of inventory was based on forward gold prices and the cost to complete in determining the net realizable value.

Income statement impact:	\$ million
Gain arising on asset exchange - Gross of tax	\$ 135.5
Income tax expense	(28.8)
Total gain arising on asset exchange - Net of tax	\$ 106.7

For contingent consideration and payments, an accounting policy choice exists and an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. For the Asset Exchange, management has not recognized a liability for contingent payments as the conditions required for these payments have not been met as of the date the assets were acquired.

Ruby Hill Acquisition

On October 18, 2021, the Company completed the acquisition of Ruby Hill Mining Company, LLC ("Ruby Hill"). The Ruby Hill property is host to a producing open pit mine and multiple deposits that contain gold and silver resources, and potential for significant base metal mineralization.

The Company acquired 100% of the issued and outstanding shares of Ruby Hill for payment of \$75 million in cash, 3,191,358 common shares of the Company valued at \$8 million, and future milestone payments of up to \$67 million that are subject to an early prepayment option that could reduce the milestone payments to \$47 million.

The four milestone payments and corresponding early prepayment options are as follows:



- \$17 million in cash and/or shares of i-80 Gold payable on the earlier of 60 days following the issuance of a press release by the Company regarding the completion of a new or updated Mineral Resource estimate for Ruby Hill or 15 months after closing, based on the market price of i-80 Gold's shares at the time of such payment (the "First Milestone Payment");
- \$15 million in cash and/or shares of i-80 payable on the earlier of 60 days following the issuance of a press release by the Company regarding the completion of a Feasibility Study for Ruby Hill or 24 months after closing, based on the market price of i-80 Gold's shares at the time of such payment (the "Second Milestone Payment"). An early prepayment option to reduce the payment to \$5 million is available if the payment is made less than 15 months after closing and if the payment in shares of the Company does not exceed up to \$7.5 million of the total amount, at the Company's discretion;
- \$15 million in cash and/or shares of i-80 Gold payable on the earlier of 30 months after closing and 90 days following the announcement by the Company of a construction decision related to a deposit on any portion of Ruby Hill that is not currently being mined, based on the market price of i-80 Gold's shares at the time of such payment (the "Third Milestone Payment"); and
- \$20 million in cash and/or shares of i-80 Gold payable on the earlier of 36 months after closing and 90 days following the announcement by the Company of achieving Commercial Production related to a deposit on any portion of Ruby Hill that is not currently being mined, priced based on the market price of i-80 Gold's shares at the time of such payment (the "Fourth Milestone Payment").

Up to 50% of the foregoing milestone payments may consist of i-80 Gold common shares, provided that the number of i-80 Gold shares then held by Waterton after giving effect to the share issuance shall not exceed 9.99% of the then issued and outstanding shares of i-80 Gold calculated on a partially diluted basis. i-80 Gold may prepay the Second Milestone Payment by paying to Waterton, on or before 15 months following closing, \$10 million provided that up to \$7.5 million of such amount may be satisfied, at i-80 Gold's option, in common shares of the Company, based on the market price of i-80 Gold's shares at the time of such prepayment and i-80 Gold may prepay the aggregate of the Third and Fourth Milestone Payments by paying to Waterton, on or before 24 months following closing \$20 million provided that up to \$10 million of such amount may be satisfied, at i-80 Gold's option, in common shares of the Company, based on the market price of i-80 Gold's shares at the time of such prepayment, provided that the number of i-80 Gold shares then held by Waterton after giving effect to the share issuance shall not exceed 9.99% of the then issued and outstanding shares of i-80 Gold calculated on a partially diluted basis.

Ruby Hill includes an open pit mine and related infrastructure, including a mill and heap leach processing circuit, and is located west of the town of Eureka, Nevada near Highway 50. Ruby Hill is host to multiple gold, silver, and base metal deposits. Refractory mineralization from Ruby Hill is expected to be trucked to the Lone Tree complex for processing following its refurbishment.

The Company determined that the Ruby Hill Acquisition represents a business combination, with i-80 as the acquirer. Transaction costs incurred in respect of the acquisition totaling \$1.2 million were expensed and presented within professional fees in general and administrative expense in profit or loss.

The acquisition date fair value of the consideration transferred consisted of the following:	\$ million
Cash	\$ 75.1
Share-based consideration	8.0
Current portion of deferred consideration (i)	15.5
Long-term portion of deferred consideration (i)	26.4
Total consideration	\$ 125.0

(i) Management's best estimate is that the early prepayment option will be taken for all milestone payments and discounted them at a rate of 7.5%: the fair value of the first milestone payment of \$17 million, the second milestone prepayment of \$10 million, and the third and fourth milestone prepayment of \$20 million.

Net assets (liabilities) acquired:	\$ million
Accounts receivable and other assets	\$ 0.2
Inventory	13.8
Property, plant and equipment	30.0
Mineral property interests	105.9
Accounts payable	(1.0)
Accrued liabilities	(0.7)
Provision for environmental rehabilitation	(23.2)
Fair value of net assets acquired	\$ 125.0

The fair value of property, plant and equipment, mineral property interests, and the provision for environmental rehabilitation were estimated using discounted cash flow models, comparable transactions, and other market-based information. Expected future cash flows are based on estimates of future gold and silver prices and projected revenues, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on life-of-mine plans at the acquisition date. The fair value of inventory was based on forward gold prices and the cost to complete in determining the net realizable value.

Private Placement

On October 14, 2021, the Company announced that it closed a non-brokered private placement (the "Private Placement"), pursuant to which the Company sold an aggregate of 39,041,515 common shares in the capital of the Company ("Common Shares") at a price of C\$2.62 per Common Share (the "Issue Price"), which represented the five-day volume-weighted average trading price of the Common



Shares on the TSX ending on September 2, 2021, which was the last trading date prior to the date of announcing the Asset Exchange, for aggregate gross proceeds of approximately \$81.4 million (C\$102.3 million).

In addition, in connection with the Asset Exchange, the Company and Orion agreed that the \$1.75 million transfer fee payable on the disposition of the Company's interest in South Arturo under the offtake agreement with Orion (refer to "Financing Agreements" further below) would be satisfied by the issuance of 839,799 common shares of the Company at a price of C\$2.62 per common share. On October 21, 2021, the Company issued 839,799 Common Shares to Orion in satisfaction of the Project Transfer Fee.

Equinox Investment

In December 2021, under its Anti-Dilution rights as contemplated in the Agreement (See "Plan of Arrangement with Equinox Gold", immediately below), Equinox exercised a portion of its Anti-Dilution Right and subscribed to an additional \$10 million of Common Shares at a price of C\$2.62 per Common Share.

Orion and Sprott Financing Package

The Company entered into a financing package with OMF Fund III (F) Ltd. an affiliate of Orion Mine Finance (collectively "Orion") on December 13, 2021 and a fund managed by Sprott Asset Management USA, Inc. and a fund managed by CNL Strategic Asset Management, LLC ("Sprott") on December 9, 2021 (together the "Financing Package").

The Financing Package in its aggregate consists of:

- a. \$50 million convertible loan (the "Orion Convertible Loan")
- b. \$10 million convertible loan (the "Sprott Convertible Loan" and together with the Orion Convertible Loan, the "Convertible Loans")
- c. \$45 million gold prepay purchase and sale agreement entered into with affiliates of Orion (the "Gold Prepay Agreement"), including an accordion feature potentially to access up to an additional \$50 million at i-80 Gold's option
- d. \$30 million silver purchase and sale agreement entered into with affiliates of Orion (the "Silver Purchase Agreement"), including an accordion feature to potentially access an additional \$50 million at i-80 Gold's option and an amended and restated offtake agreement entered into with affiliates of Orion (the "A&R Offtake Agreement")
- e. 5,500,000 warrants of the Company issued to Orion (the "Orion Warrants" and together with the Orion Convertible Loan, Gold Prepay Agreement, Silver Purchase Agreement and the A&R Offtake Agreement, the "Orion Finance Package").

The \$60 million in Convertible Loans have been fully funded and issued. The obligations under the Gold Prepay Agreement and Silver Purchase Agreement will be senior secured obligations of the Company and its wholly-owned subsidiaries Ruby Hill Mining Company, LLC and Osgood Mining Company, LLC and secured against the Ruby Hill project in Eureka County, Nevada and the Granite Creek project in Humboldt County, Nevada.

The Orion and Sprott Convertible Loans bear interest at 8.0% per annum and mature on December 13, 2025 and December 9, 2025, respectively. Outstanding amounts under the Convertible Loans are convertible into common shares of the Company at any time prior to maturity at the option of the applicable respective lender (a) in the case of the outstanding principal, C\$3.275 per common share, and (b) in the case of accrued and unpaid interest, subject to TSX approval, at the market price of the common shares on the TSX at time of the conversion of such interest.

Under the Gold Prepay Agreement, commencing March 31, 2022, i-80 will deliver to Orion 3,000 troy ounces of gold for each of the quarters ending March 31, 2022 and June 30, 2022, and thereafter, 2,000 troy ounces of gold per calendar quarter until September 30, 2025 in satisfaction of the \$45 million prepayment, for aggregate deliveries of 32,000 troy ounces of gold. Upon a positive construction decision by i-80 Gold for both (a) the processing facilities at the Lone Tree project, and (b) any two of the following: the Ruby Hill underground development (including Ruby Deep and/or Blackjack Deposits), the Granite Creek open pit development, or the McCoy-Cove Project, in all cases based on a feasibility study, in form and substance satisfactory to Orion, i-80 Gold may request an increase in the \$45 million prepayment by an additional amount not exceeding \$50 million in aggregate in accordance with the terms of the Gold Prepay Agreement. As at December 31, 2021 the prepayment had not been received and so the Statement of Financial Position does not reflect a liability for this amount.

Under the Silver Purchase Agreement, commencing April 30, 2022, i-80 Gold will deliver to Orion 100% of the silver production from the Granite Creek and Ruby Hill projects until the delivery of 1.2 million ounces of silver, after which the delivery will be reduced to 50% until the delivery of an aggregate of 2.5 million ounces of silver, after which the delivery will be reduced to 10% of the silver production solely from Ruby Hill Project. Orion will pay i-80 an ongoing cash purchase price equal to 20% of the prevailing silver price. Until the delivery of an aggregate of 1.2 million ounces of silver, i-80 Gold is required to deliver the following minimum amounts of silver in each calendar year: (i) in 2022, 300,000 ounces, (ii) in 2023, 400,000 ounces, (iii) in 2024, 400,000 ounces, and (iv) in 2025, 100,000 ounces. Upon a construction decision for the Ruby Hill project, comprised of one or both of the Ruby Deep or Blackjack Deposits, which construction decision is based on a feasibility study in form and substance satisfactory to Orion, acting reasonably, i-80 Gold will have the right to request an additional deposit from Orion in the amount of \$50 million in aggregate in accordance with the terms of the Silver Purchase Agreement. As at December 31, 2021 the prepayment had not been received and so the Statement of Financial Position does not reflect a liability for this amount.

The main amendments reflected in the A&R Offtake Agreement include the increase in the term of the agreement to December 31, 2028, the inclusion of the Granite Creek and Ruby Hill projects, and the increase of the annual gold quantity to up to an aggregate of 37,500 ounces in respect of the 2022 and 2023 calendar years and up to an aggregate of 40,000 ounces in any calendar year after 2023.

Additionally, in connection with the Gold Prepay Agreement, the Company has issued to Orion the Warrants to purchase up to 5,500,000 common shares of the Company. The Warrants may be exercised at any time at an exercise price of C\$3.275 per common share until December 13, 2024.



Disposal Group Classified as Held For Sale and Discontinued Operations

Prior to the Asset Exchange and in accordance with IFRS 5, Non-current assets held for sale and discontinued operations, the assets and liabilities of South Arturo were classified as a disposal group. As of December 31, 2021, as a result of completing the Asset Exchange on October 14, 2021, the assets and liabilities of South Arturo are not included in the Consolidated Statements of Financial Position. Revenue and expenses relating to the discontinuation of South Arturo have been eliminated from profit or loss from the Company's continuing operations and are shown as a single line item in the statements of loss and comprehensive loss as discontinued operations. For the year ended December 31, 2021, the Company's results include a pre-tax gain from the Asset Exchange of \$135.5 million (after-tax gain of \$106.7 million).

Plan of Arrangement with Equinox Gold

On December 16, 2020, Premier Gold Mines Limited ("Premier") and Equinox Gold Corp. ("Equinox Gold") announced that the companies entered into a definitive agreement (the "Agreement") whereby Equinox Gold would acquire all the outstanding shares of Premier (the "Transaction"). Concurrently, Premier would spin out its U.S. assets and operations which are included in the entities listed in Note 2(b) to a newly formed Canadian domiciled company i-80 Gold. On closing of the Transaction, existing Equinox Gold and Premier shareholders would own approximately 84% and 16% of Equinox Gold, and Equinox Gold and existing shareholders of Premier would own 30% and 70% of the Company, respectively, on an issued share basis.

On February 23, 2021, Premier's security holders voted to approve the Transaction. By approving the Transaction, Premier security holders also approved the spin out to its shareholders shares of the Company.

On March 18, 2021, the Company completed its private placement offering of 30,914,614 subscription receipts at a subscription price of C\$2.60 for aggregate gross proceeds of approximately C\$80.4 million. This private placement included a quarter warrant for each share issued for a total of 7,728,653 warrants issued at an exercise price of \$C3.64.

Concurrently with the Company's offering, Equinox Gold advanced to the Company a \$20.75 million bridge loan that was used by the Company for the purposes of making a \$20.75 million cash deposit with affiliates of Waterton Global Resource Management, Inc. ("Waterton") in partial satisfaction of the purchase price payable to Waterton for the acquisition of the Granite Creek Project. The loan matured and was repaid within 10 banking days following the closing of the Transaction in accordance with the agreement.

The Transaction closed on April 7, 2021. Premier shareholders received 0.1967 of an Equinox Gold share for each Premier share held representing an at-market acquisition based on the 10-day volume-weighted average closing prices for both Equinox Gold and Premier shares on the TSX; and 0.4 of a share of the Company for each Premier share held.

On April 7, 2021, just prior to the completion of the spin out of Premier by way of the Plan of Arrangement ("the Arrangement"), the Company issued 137,624,461 common shares to Premier for the transfer of its investment in Premier USA to the Company for the carrying amount of the investment, \$150.6 million (1,614 common shares) offset by \$4.4 million allocated to the equity settled employee benefits reserve for replacement options, \$0.9 million for the transfer of the South Arturo silver stream, and \$0.5 million for replacement warrants issued pursuant to the Arrangement resulting in \$144.9 million in equity.

In accordance with the terms of the Arrangement, the Company and Equinox Gold exchanged existing Premier stock options at the same ratio as shareholders received on the distribution of the Company to Premier shareholders and as such, the Company issued 0.4 of a stock option for each Premier option held. This resulted in 5,722,000 replacement options to option holders on record as of April 7, 2021 at an average option price of C\$1.88. The replacement options were valued at \$4.4 million and reduced the investment in Premier USA and were allocated to the equity settled employee benefits reserve.

Also, in accordance with the terms of the Arrangement, a portion of the existing Premier silver stream agreement and replacement warrants were also allocated to the Company. The resulting valuation of \$0.9 million for the transfer of the South Arturo silver stream and \$0.5 million for 800,000 replacement warrants reduced the investment in Premier USA and recorded as liabilities of the Company.

Following the completion of the spin out completed on April 7, 2021, the subscription receipts were released from escrow and converted to common shares of the Company and were listed and posted for trading on the TSX. Trading in the Company's common shares commenced at the opening of the TSX on April 13, 2021, under the symbol "IAU".

Granite Creek Acquisition (Osgood Mining Company and Christison)

On April 15, 2021, the Company, together with its subsidiary Premier Gold Mines USA Inc. ("Premier USA") completed the purchase agreement with affiliates of Waterton to acquire from Waterton all the outstanding membership interests of Osgood Mining Company LLC ("Osgood"). Osgood is the owner of the Granite Creek Project (formerly the "Getchell Project") in the Getchell gold belt near Winnemucca, Nevada. Consideration paid to Waterton consisted of (i) \$23.0 million in cash, (ii) 13,036,846 common shares of the Company, (iii) warrants to purchase 12,071,152 common shares of the Company, with an exercise price C\$3.64 per common share, for a period of 36 months following the closing date, and (iv) contingent value rights include a payment to Waterton in the amount of \$5.0 million upon the public announcement of a positive production decision related to the Granite Creek Project (formerly the "Getchell Project") (underground or open pit), and an additional \$5.0 million upon production of the first ounce of gold (excluding ordinary testing and bulk sampling programs) following a 60 consecutive day period where gold prices have exceeded \$2,000 per ounce. The common shares and warrants issued were subject to a statutory hold period under applicable Canadian securities legislation that expired on August 15, 2021.



The Osgood acquisition was accounted for as an asset acquisition as management has determined that substantially all the fair value of the gross assets acquired are concentrated on the Granite Creek Project mineral property. The components of consideration that were paid and the allocation to the net assets acquired is detailed in the table below:

Components of consideration paid:	\$ million
Cash	\$ 23.0
Common shares	27.0
Warrants	6.1
Transaction costs	0.3
	\$ 56.4
Allocated value:	
Buildings and equipment	\$ 0.4
Mineral properties	58.0
Reclamation and closure cost obligations	(2.0)
	\$ 56.4

For contingent consideration and payments, an accounting policy choice exists, and an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. For the Osgood acquisition, management has not recognized a liability for contingent payments as the conditions required for these payments have not been met as of the date the assets were acquired.

Christison Acquisition

On December 15, 2020, Premier USA entered into a definitive purchase agreement with the Christison Family Trust and Seven Dot Cattle Co. LLC to acquire certain fee lands and unpatented mining claims (the "First Property" and the "Second Property") (collectively the "Christison Acquisition") situated in Humboldt County, Nevada, for consideration consisting of \$10.0 million in cash and \$5.0 million in common shares of the Company. The mining claims are located adjacent to the Granite Creek Project. During the fourth quarter of 2020 Premier USA paid \$7.5 million in cash as consideration for the First Property. On May 10, 2021, Premier USA completed the acquisition of the Second Property for consideration of \$2.5 million in cash and 2,430,488 common shares of the Company.

On completion of the transactions, the properties acquired in the Christison Acquisition and the Osgood Mining Company LLC acquisition have been combined under the Granite Creek Project.

Granite Creek has a protracted history of gold exploration and mining activities. Gold was initially discovered in the mid to late 1930's. Approximately 1,004,915 ounces have been produced from the property since that time. Granite Creek comprises several land parcels which collectively encompass 2,545 acres, located in the Potosi mining district, 27 miles northeast of Winnemucca, within the southeastern part of Humboldt County, Nevada. The four-square miles of land contain all areas of past gold production and the area of the currently estimated mineral resource. This area includes the historical Pinson Mine. Osgood controlled a 100% interest in private lands that make up approximately 1,280 acres of the Granite Creek area through outright ownership. Additionally, Osgood controlled a 100% interest in unpatented federal lode mining claims covering about 797 additional acres either by outright ownership or via mining lease agreement and owned an undivided 41.67% interest in private land and unpatented federal lode mining claims covering approximately 468 additional acres.

Granite Creek has mineral resources that may be amenable to underground and open pit mining methods. The latest technical report was completed in November of 2021 by Global Resource Engineering with an effective date of May 4, 2021. This report has been filed on SEDAR and is available at www.sedar.com. The Company intends to rapidly develop this property and expects that completion of the recommendations from the PEA will afford the opportunity to advance the project to full feasibility and a construction decision.

Previous Financing Agreements

Also, in connection with the closing of the Arrangement on April 7, 2021, the Company entered into an offtake agreement with OMF Fund II (O) Ltd. ("Orion") and a silver stream agreement with OMF Fund II SO Ltd. ("Nomad").

Offtake Agreement

Under the terms of the Offtake Agreement, the Company agreed to sell, and Orion has agreed to purchase (i) an aggregate of 29,750 ounces of refined gold for 2021, and (ii) up to an aggregate of 31,500 ounces of refined gold annually (the "Annual Gold Quantity") from the Company's Eligible Projects until March 1, 2027. The Company's Eligible Projects include the South Arturo Project, the McCoy-Cove Project, and the Granite Creek Project. The final purchase price to be paid by Orion will be, at Orion's option, a market referenced gold price in US dollars per ounce during a defined pricing period before and after the date of each sale. In the event that the Company does not produce the Annual Gold Quantity in any given year, the obligation is limited to those ounces actually produced.

South Arturo Purchase and Sale Agreement (Silver)

The Company entered into a Purchase and Sale Agreement (Silver) (the "Stream Agreement") with Nomad, whereby the Company will deliver to Nomad (i) 100% of the refined silver from minerals from the main stream area, and (ii) 50% of the refined silver from the exploration stream Area. Nomad will pay an ongoing cash purchase price equal to 20% of the silver market price on the day immediately preceding the date of delivery and will credit the remaining 80% against the liability. Following the delivery of an aggregate amount of refined



silver equal to \$1.0 million to Nomad under the Stream Agreement, Nomad would continue to purchase the refined silver at an ongoing cash purchase price equal to 20% of the prevailing silver price. The Stream Agreement is unsecured and the initial term of the agreement is 40 years.

Functional and Presentation Currency

Management has determined that the functional and presentation currency of the Company has changed since December 31, 2020 and is now United States dollars ("USD") rather than Canadian dollars ("CAD"). At December 31, 2020 the Company had no operations and was a holding company. As the Company started to operate, Management considered primary and secondary indicators in determining functional currency including the currency that influences sales prices, labor, purchases and other costs. Other indicators including the currency in which funds from financing activities are generated and the currency in which receipts from operations are usually retained. Although current and future cash inflows and outflows from both sales and expenditures may be in both USD and CAD, the Company expects USD to be the primary currency by which its business is transacted.

Reference to \$ or USD is to US dollars, reference to C\$ or CAD is to Canadian dollars.

COVID-19

The COVID-19 pandemic continued to negatively impact global economic and financial markets throughout 2021 despite various measures taken by government authorities to contain the virus. The Company continually monitors guidance from the Centers for Disease Control and Prevention ("CDC"), and mandates issued by the State of Nevada to mitigate the effects of COVID 19 at all of its mine sites and corporate office locations.

Other than the macro-economic impact of inflationary pressure and supply chain challenges, operating activities at Lone Tree, Granite Creek, Ruby Hill and McCoy Cove are continuing with no significant interruptions to date from COVID-19. The extent to which COVID-19 will impact the Company's operations in the future is highly uncertain and cannot be accurately estimated at the present time.

RESULTS OF OPERATIONS

Three Month Results

	Three months ended December 31, 2021			Three months ended December 31, 2020		
<i>(in thousands of U.S. dollars, unless otherwise noted)</i>	From Continuing Operations	From Disc. Operations	Total	From Continuing Operations	From Disc. Operations	Total
Revenue	—	—	—	—	8,545	8,545
Cost of sales	—	—	—	—	(5,363)	(5,363)
Depletion, depreciation and amortization	—	—	—	—	(716)	(716)
Mine operating income	—	—	—	—	2,466	2,466
Expenses						
Exploration, evaluation, and pre-development	4,537	—	4,537	686	360	1,046
General and administrative	3,931	6	3,937	463	46	509
Restructuring cost	—	—	—	—	—	—
Property maintenance	115	—	115	(30)	—	(30)
Share-based payments	291	—	291	166	—	166
Operating income (loss)	(8,874)	(6)	(8,880)	(1,285)	2,060	775

Mine operating income of nil for the three months ended December 31, 2021 decreased \$2.5 million from mine operating income of \$2.5 million for the comparable three month period of 2020 due to the asset exchange with NGM in October 2021. In the three months ended December 31, 2020, mine operating income was \$2.5 million from discontinued operations, South Arturo. In the comparable three month period of 2021, mine operating income of nil resulted from continuing operations at Lone Tree and Ruby Hill. At both operations, no gold ounces were produced and sold as residual heap leaching continued and the gold ounces of loaded carbon which were produced had not yet been further refined as a finished product as of December 31, 2021. All operating costs were capitalized as inventory and will be recognized as operating income (loss) as revenue from the ounces produced is recognized.

Operating loss for the three months ended December 31, 2021 of \$8.9 million changed \$9.7 million from the operating income of \$0.8 million for the three months ended December 31, 2020 due to a decrease in operating income from discontinued operations (\$2.1 million) and an increase in operating loss from continuing operations of \$7.6 million primarily due to exploration and pre-development activities at the Granite Creek Mine and an increase in general and administrative costs due to i-80 Gold becoming a stand-alone entity.

Operating loss from continuing operations of \$8.9 million for the three months ended December 31, 2021 increased \$7.6 million over the comparable three month period ended December 31, 2020 mainly due to higher exploration, evaluation and pre-development expenses (\$3.9 million), and higher general and administrative expenses (\$3.5 million) associated with mine acquisition activity and i-80 Gold becoming a stand-alone entity.



Exploration, evaluation, and pre-development total costs of \$4.5 million for the three months ended December 31, 2021 increased \$3.9 million over the comparable three month period of 2020 mainly due to exploration and pre-development work at Granite Creek that started in the second quarter of 2021 combined with work performed at Ruby Hill from the date of acquisition.

Twelve Month Results

<i>(in thousands of U.S. dollars, unless otherwise noted)</i>	Twelve months ended December 31, 2021			Twelve months ended December 31, 2020		
	From Continuing Operations	From Disc. Operations	Total	From Continuing Operations	From Disc. Operations	Total
Revenue	—	31,991	31,991	—	37,133	37,133
Cost of sales	—	(17,207)	(17,207)	—	(21,709)	(21,709)
Depletion, depreciation and amortization	—	(1,691)	(1,691)	—	(4,124)	(4,124)
Mine operating income	—	13,093	13,093	—	11,300	11,300
Expenses						
Exploration, evaluation, and pre-development	10,477	1,034	11,511	3,566	625	4,191
General and administrative	10,456	175	10,631	1,126	52	1,178
Restructuring cost	4,444	—	4,444	—	—	—
Property maintenance	387	—	387	314	—	314
Share-based payments	2,683	—	2,683	1,227	—	1,227
Operating income (loss)	(28,447)	11,884	(16,563)	(6,233)	10,623	4,390

Mine operating income of \$13.1 million for the twelve months ended December 31, 2021 increased \$1.8 million over the comparable period of 2020 mainly due to an increase in depletion, depreciation and amortization (\$2.4 million due to lower ore tons milled), partly offset by lower revenue less cost of sales (\$0.6 million).

Operating loss for the twelve months ended December 31, 2021 of \$16.6 million changed \$21.0 million from the operating income of \$4.4 million for the twelve months ended December 31, 2020 due to an increase in operating income from discontinued operations (\$1.3 million) offset by an increase in operating loss from continuing operations of \$22.2 million mainly due to increased exploration expenditures at Granite Creek, the inclusion of general and administrative expenses as a result of i-80 being a stand alone entity, and corporate restructuring costs.

Operating loss from continuing operations of \$28.4 million for the twelve months ended December 31, 2021 increased \$22.2 million over the comparable twelve month period ended December 31, 2020 mainly due to higher exploration, evaluation and pre-development expenses (\$6.9 million), higher general and administrative expenses (\$9.3 million) associated with mine acquisition activity and i-80 Gold becoming a stand-alone entity, restructuring costs in the second quarter of 2021 (\$4.4 million), and higher share-based payments (\$1.5 million).

Exploration, evaluation and pre-development total expenses of \$10.5 million for the twelve months ended December 31, 2021 increased \$6.9 million over the twelve month period ended December 31, 2020 primarily as a result of the exploration and evaluation work that was started at Granite Creek, an increase in expenses for discontinued operations (South Arturo) for exploration and delineation drilling, partly offset by a decrease in expenditures at McCoy-Cove.

General and administrative expenses totaled \$10.5 million for the twelve months ended December 31, 2021. Premier Gold Mines USA, Inc. was previously a subsidiary of Premier Gold Mines Limited and incurred minimal corporate general and administrative expenses and the comparative 2020 periods reflect Premier Gold Mines USA, Inc. stand-alone figures. The increase is driven by i-80 being a standalone entity and including all corporate costs.

Restructuring cost of \$4.4 million for the twelve months ended December 31, 2021 resulted from \$2.5 million for change in control payments to executives associated with the Company's operations and a tax withholding payment of \$2.0 million that was paid by i-80 Gold, as an agent, on behalf of Premier. As the withholding tax does not belong to i-80 Gold, and as Premier is owned by Equinox, the Company recorded the withholding tax as a restructuring cost, as contemplated in the Agreement.

Share-based payments relate to the issuance of stock options and restricted share units. Share-based payments totaled \$2.7 million for the twelve months ended December 31, 2021, an increase of \$1.5 million over the twelve months ended December 31, 2020 primarily due to initial grants of stock options triggered by the spin-out of i-80 Gold from Premier.



Selected Quarterly Information

The following is a summary of selected operating and financial information from the past eight quarters.

<i>(in thousands of U.S. dollars, unless otherwise noted)</i>	For the four quarters in 2021 and four quarters of 2020							
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
From discontinued operations:								
Gold sales (ounces) ⁽ⁱ⁾	—	4,575	5,745	7,529	4,555	4,783	6,321	5,307
Revenue	—	8,166	10,250	13,576	8,545	9,333	10,878	8,377
Costs of sales	—	(4,374)	(6,491)	(6,475)	(5,595)	(4,794)	(6,385)	(5,441)
Depletion, depreciation and amortization	—	(467)	(329)	(894)	(716)	(699)	(1,351)	(1,358)
Mine operating income / (loss)	—	3,325	3,430	6,207	2,234	3,840	3,142	1,578
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
From continuing operations:								
Other significant income / (loss):								
Restructuring cost	—	—	4,444	—	—	—	—	—
Exchange gain / (loss) on related party balance	—	—	1,058	(809)	(2,947)	(1,311)	(2,384)	5,365
Share-based payments	291	424	1,898	70	166	403	328	330
Income / (loss) for the period	101,745	(9,340)	(7,062)	2,851	(3,344)	(1,206)	(2,230)	4,006

(i) May not total to annual amounts due to rounding.

The income in Q4 2021 of \$101.7 million was driven by a gain on the asset exchange with NGM of \$135.5m offset by costs including loss on valuation of derivatives of \$6.1m, exploration and pre-development activities at the Granite Creek Mine of \$4.5m, general and administrative costs due to i-80 Gold becoming a stand-alone entity of \$3.9 million, other items that increased income by \$0.6m and a deferred tax expense of \$19.9 million.

Gold sales ounces and revenue were nil in Q4 2021. No gold sales were completed in Q4 2021 from the Company's residual heap leach operations, Lone Tree and Ruby Hill.

Continuing Operations, Lone Tree and Ruby Hill

Lone Tree

The Lone Tree Project is an advanced-stage development project located within the Battle Mountain-Eureka Trend, midway between the Company's Granite Creek and McCoy-Cove Projects. The property consists of the past-producing Lone Tree mine and processing facility, as well as the nearby Buffalo Mountain deposit and the Brooks open pit mine, which is currently on care and maintenance. Processing infrastructure at Lone Tree includes an autoclave, carbon-in-leach mill, flotation mill, heap leach facility, assay lab and gold refinery, tailings dam, waste dump and several buildings that the Company anticipates will be useful for developing all mining projects, including a warehouse, maintenance shop and administration building. The Company acquired a 100% indirect ownership interest in the Lone Tree Project on October 14, 2021, pursuant to the Asset Exchange. The Company's interest in the Lone Tree Project is held through Premier USA and Dee LLC.

The Lone Tree Project recovered a total of 1,526 ounces of gold on carbon from residual heap leach operations during the period from October 14, 2021, being the closing date of the Asset Exchange, to December 31, 2021.

Ruby Hill

Located within the Battle Mountain-Eureka Trend, Ruby Hill is host to the Archimedes open pit mine and multiple gold, silver and base metal deposits. Processing infrastructure at Ruby Hill includes a primary crushing plant, grinding mill, leach pad, and carbon-in-column circuit. The Company acquired a 100% indirect ownership interest in Ruby Hill on October 18, 2021, pursuant to the Ruby Hill Acquisition. The Company's interest in Ruby Hill is held through Ruby Hill LLC.

The Ruby Hill Project recovered a total of 1,469 ounces of gold on carbon during the period from October 15, 2021, being the closing date of the Ruby Hill Acquisition, to December 31, 2021.

Discontinued Operations, South Arturo

The Company previously held a 40% interest in the South Arturo mine located in Elko County, Nevada, and an option to acquire a 100% interest in the exploration-stage Rodeo Creek property located in Elko County, Nevada. The Corporation's interest in South Arturo was held pursuant to the joint venture between Dee LLC and NGM that was operated by NGM. On October 14, 2021, the Corporation and NGM completed an asset exchange transaction, pursuant to which the Corporation exchanged its interest in South Arturo and Rodeo Creek for NGM's 100% ownership interest in Lone Tree. The Company's discontinued operation, South Arturo, is 28 miles northwest of the town of Carlin, Nevada. Historical operations have exploited a Carlin-style disseminated gold deposit by open pit mining. An adjacent underground



mine, El Niño, was developed and brought into commercial production in 2019, and is the current source of production from South Arturo.. All results for South Arturo represent the Company's 40% share.

		Three months ended December 31,		Years ended December 31,	
		2021	2020	2021	2020
Discontinued operations:					
<i>(in millions of U.S. dollars, unless otherwise stated) ^(iv)</i>					
Ore & Metals					
Ore milled	<i>tonnes</i>	—	26,933	70,467	101,381
Gold produced	<i>ounces</i>	—	4,899	14,330	23,488
Silver produced	<i>ounces</i>	—	747	1,715	2,540
Gold sold	<i>ounces</i>	—	4,555	17,848	20,966
Average gold grade	<i>grams/t</i>	—	6.54	7.21	8.24
Average gold recovery rate	<i>%</i>	—	86.5	87.5	87.4
Realized Price					
Average realized gold price ^(i,ii)	<i>\$/ounce</i>	—	1,876	1,792	1,771
Non-IFRS Performance Measures					
By-product cash costs per ounce of gold sold ^(i,ii,iii)	<i>\$/ounce</i>	—	1,161	1,084	1,023
By-product all-in sustaining costs per ounce of gold sold ^(i,ii,iii)	<i>\$/ounce</i>	—	1,328	1,169	1,122
Financial Measures					
Gold revenue	<i>m \$</i>	—	8.5	32.0	37.1
Mine operating income / (loss)	<i>m \$</i>	—	2.2	13.1	10.6
Exploration, evaluation & pre-development expense	<i>m \$</i>	—	0.4	1.0	0.6
Capital					
Total capital expenditures	<i>m \$</i>	—	0.5	2.2	0.7
Capital expenditures - sustaining ^(i,ii)	<i>m \$</i>	—	—	1.9	—
Capital expenditures - expansionary ^(i,ii)	<i>m \$</i>	—	0.5	0.3	0.7

⁽ⁱ⁾ A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Financial Performance Measures" section of this MD&A.

⁽ⁱⁱ⁾ Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Financial Performance Measures" of this MD&A.

⁽ⁱⁱⁱ⁾ Given the small nature and timing of South Arturo silver output, no silver by-product credits are reported.

^(iv) May not add due to rounding.

Production

In October 2021, the Company completed the Asset Exchange with NGM. The terms of the asset exchange transferred the economic benefits as if the transaction was effective June 1, 2021. Accordingly, during the fourth quarter of 2021, the Company did not receive any share of gold production from South Arturo. The discussion below compares the results from 2021 to 2020, however the Company received its 40% share for the full year of 2020, whereas the 2021 results represent a nine-month impact.

South Arturo production for the year ended period of 2021 decreased from 23,488 ounces to 14,330 ounces due to a decrease in ore tonnes milled and a decrease in average gold grade.

Sales and Revenue

For accounting purposes, revenues and expenses for South Arturo are excluded from consolidated balances and are shown as a single line item in the statements of loss and comprehensive loss as discontinued operations.

Gold ounces sold were 17,848 ounces for the year ended December 31, 2021, compared to 20,966 ounces in the prior-year period. Gold revenue of \$32.0 million for the year ended December 31, 2021, decreased \$5.1 million over the comparable twelve-month period of 2020 due to a decrease in sales volumes partly offset by an increase in the average realized price from \$1,771 per ounce to \$1,792 per ounce.

Cash Costs¹

By-product cash costs per ounce of gold sold was \$1,084 for the twelve-month period ended December 31, 2021 compared to \$1,023 for the twelve-month period of 2020. The by-product cash costs per ounce increased as compared to the twelve-month period of 2020 primarily due to lower sales volume.

All-in Sustaining Costs¹

All-in sustaining cost per ounce of gold sold was \$1,169 for the twelve months ended December 31, 2021 compared to \$1,122 in the prior year twelve month period. The all-in sustaining costs have increased from the prior year period due to an increase in costs from an increase in sustaining exploration and capital expenditures, and a decrease in gold ounces sold.



Capital Expenditures – South Arturo

Capital expenditures for the year ended 2021 of \$2.2 million were \$1.5 million higher than the comparable year ended 2020 due to higher sustaining capital expenditures of \$1.9 million.

South Arturo operational and financial performance trends (representing the Company's 40% share) for the current and previous seven quarters is as follows:

		For the four quarters in 2021 and four quarters of 2020								
Discontinued operations:										
<i>(in millions of U.S. dollars, unless otherwise stated) ^(iv)</i>			Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Ore & Metals										
Ore milled	<i>tonnes</i>	—	16,936	25,089	28,622	26,933	29,416	17,863	27,170	
Gold produced	<i>ounces</i>	—	3,254	4,972	6,103	4,899	7,095	4,765	6,730	
Silver produced	<i>ounces</i>	—	272	867	576	747	601	567	625	
Gold sold	<i>ounces</i>	—	4,575	5,745	7,529	4,555	4,783	6,321	5,307	
Average gold grade	<i>grams/t</i>	—	6.90	7.05	7.53	6.54	8.83	9.32	8.59	
Average gold recovery rate	<i>%</i>	—	86.7	87.4	88.1	86.5	85.0	89.0	89.7	
Realized Price										
Average realized gold price ^(i,ii)	<i>\$/ounce</i>	—	1,785	1,784	1,803	1,876	1,879	1,721	1,578	
Non-IFRS Performance Measures										
By-product cash costs per ounce of gold sold ^(i,ii,iii)	<i>\$/ounce</i>	—	952	1,143	836	1,161	987	990	976	
By-product all-in sustaining costs per ounce of gold sold ^(i,ii,iii)	<i>\$/ounce</i>	—	1,355	1,337	926	1,328	1,148	1,026	1,038	
Financial Measures										
Gold revenue	<i>m \$</i>	—	8.2	10.2	13.6	8.5	9.3	10.9	8.4	
Mine operating income / (loss)	<i>m \$</i>	—	3.3	3.4	6.2	2.2	3.8	3.1	1.6	
Exploration, evaluation & pre-development expense	<i>m \$</i>	—	0.6	0.3	0.2	0.4	0.3	—	—	
Capital										
Total capital expenditures	<i>m \$</i>	—	1.1	0.5	0.7	0.5	0.2	0.5	(0.4)	
Capital expenditures - sustaining ^(i,ii)	<i>m \$</i>	—	1.1	0.7	—	—	—	—	—	
Capital expenditures - expansionary ^(i,ii)	<i>m \$</i>	—	—	(0.3)	0.7	0.5	0.2	0.5	(0.4)	

(i) A cautionary note regarding Non-IFRS metrics is included in the "Non-IFRS Financial Performance Measures" section of this MD&A.

(ii) Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Financial Performance Measures" of this MD&A.

(iii) Given the small nature and timing of South Arturo silver output, no silver by-product credits are reported, with any revenues offsetting costs.

(iv) May not add due to rounding.

¹ See "Non-IFRS Financial Performance Measures" section of this MD&A.

Exploration, Evaluation and Pre-development, Granite Creek and McCoy-Cove

During the year ended December 31, 2021, the Company has conducted exploration, evaluation, and pre-development activities at its various properties in Nevada. During the three-months ended December 31, 2021, the Company was primarily focused on exploration and



pre-development activities at Granite Creek. The following table summarizes the exploration, evaluation, and pre-development expenditures for the three months and year ended December 31, 2021 and 2020, including expenditures at its discontinued operation, South Arturo.

	Three months ended Dec 31		Year ended Dec 31	
	2021	2020	2021	2020
<i>(in thousands of U.S. dollars) (i)</i>				
Granite Creek	3,471	—	8,423	—
South Arturo	—	361	1,034	625
Lone Tree	4	—	4	—
McCoy-Cove	233	569	1,137	3,292
Ruby Hill	825	—	825	—
Goldbanks	—	4	1	86
Rye	—	62	1	127
Rodeo Creek	1	1	7	8
Other ⁽ⁱⁱ⁾	3	49	79	53
Total	4,537	1,046	11,511	4,191
Attributable to:				
Continuing Operations	4,537	685	10,477	3,566
Discontinued Operations	—	361	1,034	625
Total	4,537	1,046	11,511	4,191

(i) May not add due to rounding

(ii) Other includes charges for regional technical services costs not charged to a property.

Exploration, evaluation and pre-development expenses of \$4.5 million for the three months ended December 31, 2021 increased \$3.5 million over the three month period ended December 31, 2020 primarily as a result of exploration and development work at Granite Creek and commencement of work at Ruby Hill.

For the twelve months ended December 31, 2021, exploration, evaluation, and pre-development expenses of \$11.5 million increased \$7.3 million over the comparable twelve-month period of 2020 due to exploration and pre-development activities commencing at Granite Creek and Ruby Hill, an increase in expenses at South Arturo for exploration and delineation drilling, partly offset by lower expenditures at McCoy-Cove. Further details regarding the Company's exploration, evaluation and pre-development activities at continuing operations, Granite Creek, McCoy-Cove and Ruby Hill, are discussed immediately below.

Granite Creek

In the fourth quarter, 2021, five drill rigs were utilized, drilling a total of 29 holes for 9,971 meters from surface and 38 holes for 5,167 meters from underground YTD. The footage drilled was lower than planned due to drill rig availability and more difficult than anticipated drilling conditions. Drilling targets were expansion and delineation of the newly discovered South Pacific Zone as well as delineation drilling that targeted the Rangefront, Otto, Linehole, and Adam Peak fault zones with underground drilling.

Other expenditures during the three and twelve-month periods were primarily associated with a preliminary economic assessment of the project, rehabilitation of the underground ramps and drill bays, test mining in the Otto zone, evaluation, re-entry, and repairs to buildings and other surface infrastructure, and evaluation and maintenance of mobile equipment.

McCoy-Cove

The McCoy-Cove Project covers 30,923 acres and is located 32 miles south of the town of Battle Mountain, in the Fish Creek Mountains of Lander County, Nevada, and lies within the McCoy Mining District. The McCoy-Cove Project is, for the most part, on land controlled by the U.S. Department of Interior, Bureau of Land Management ("BLM") and patented mining claims. The McCoy-Cove Project consists of 1,535 100%-owned unpatented claims and twelve leased patented claims.

There was no drilling done during the fourth quarter of 2021. Expenditures during the fourth quarter of 2021 were for metallurgical and hydrology studies, engineering of de-watering and mining options, and evaporation of water from the inactive tailings storage facility. The Board of Directors of the Company approved an exploration decline and underground drilling program at the McCoy-Cove Project on November 9, 2021 and commencement of an underground portal began on February 23, 2022.

Ruby Hill

In the fourth quarter, 2021, three drill rigs were utilized, drilling a total of five holes for 2,997 meters. Three of the five holes were completed with the remaining two comprising pre-collars for drilling to be completed at a later date. Drilling targets included infill of the Ruby Deeps for metallurgical, geotechnical, and resource confirmation purposes.

The following table represents the cumulative exploration, evaluation, and pre-development expenses to date by project.

	Status	Cumulative to December 31, 2019	Period ending December 31, 2020	Cumulative to December 31, 2020	Period ending December 31, 2021	Cumulative life of project to date
<i>(in thousands of U.S. dollars) (i)</i>						
Granite Creek	Active	—	—	—	8,423	8,423
McCoy-Cove	Active	53,316	3,292	56,609	1,137	57,746
Lone Tree	Active	—	—	—	4	4
Ruby Hill	Active	—	—	—	825	825
South Arturo	Discontinued	3,350	625	3,975	1,034	5,009
Rodeo Creek	Discontinued	55	8	63	7	70
Goldbanks	Terminated	7,334	86	7,420	1	7,420
Rye	Terminated	1,068	127	1,195	1	1,196
Other (ii)		348	53	401	79	480
		65,470	4,191	69,662	11,511	81,173

(i) May not add due to rounding

(ii) Other includes technical work not associated with an above property

Other Income / (Expense) - Continuing Operations

	Three Months Ended December 31,		Twelve Months Ended December 31,	
<i>(in thousands of U.S. dollars)</i>	2021	2020	2021	2020
Other income / (expense)				
Gain on asset exchange	135,531	—	135,531	—
Gain / (loss) on foreign exchange	930	(2,946)	(122)	(1,276)
Gain / (loss) on valuation of warrants	583	—	(2,515)	—
Loss on valuation of derivatives	(6,097)	—	(6,097)	—
Environmental rehabilitation accretion	(271)	(11)	(307)	(56)
Other	(227)	(17)	(193)	(339)
Total other income (expense)	130,449	(2,974)	126,297	(1,671)

Other income for the three-month period of 2021 was \$130.4 million compared to other expense of \$3.0 million for the three-month period of 2020. Other income for the three-month period increased \$133.4 million over other expense for the comparable period of 2020 mainly due to the one time non-cash gain on the asset exchange with NGM of \$135.5 million a gain on valuation of warrants of \$0.6m and foreign exchange of \$3.9 million offset by \$6.1 million loss on valuation of derivatives and \$0.5 million of other costs.

Other income for the twelve-month period of 2021 was \$126.3 million compared to other expense of \$1.7 million for the twelve-month period of 2020. The income for the twelve months of 2021 resulted primarily from the gain on the asset exchange with NGM of \$135.5 million. Partly offsetting was a non-cash loss of \$2.5 million on valuation of warrants and \$6.1 million loss on valuation of derivatives. For the comparative twelve month period of 2020, other income of \$1.7 million was mainly due to a gain on foreign exchange that resulted from the loan with Premier which was comprised of CAD and USD denominated liabilities for cash advances and expenses paid on behalf of the Company.

Interest and Finance Expense - Continuing Operations

	Three months ended December 31,		Twelve months ended December 31,	
<i>(in thousands of U.S. dollars)</i>	2021	2020	2021	2020
Related party interest expense	—	1,147	1,177	4,586
Total related party interest expense	—	1,147	1,177	4,586

Related party interest expense results from interest paid on an intercompany note held by Premier related to the purchase of the Company's interest in South Arturo, which was paid in full during April 2021, and interest paid to Equinox of \$0.06 million (nil for the period ended December 31, 2020) for the bridge loan further described in Note 1(a) of these Financial Statements.



Current and Deferred Taxes - Continuing Operations

<i>(in thousands of U.S. dollars)</i>	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Income (loss) before income taxes	121,579	(5,406)	96,673	(12,490)
Current tax recovery / (expense)	—	—	(200)	—
Deferred tax expense	(19,853)	—	(19,853)	—
Income (loss) from continuing operations for the period	101,726	(5,406)	76,620	(12,490)
Income from discontinued operations for the period	49	2,062	11,603	9,716
Income / (loss) for the period	101,775	(3,344)	88,223	(2,774)

Current taxes are comprised of taxes on income. For the twelve-months ended December 31, 2021, current tax expense of \$0.2 million increased from nil for the twelve month period of 2020 due to a federal tax withholding payment by the Company for a deemed related party dividend to Premier associated with the settlement of related party balances on the date of the spin-out.

As of December 31, 2021 deferred tax expense of \$19.9 million resulted from the gain on asset exchange.

Net proceeds of minerals tax in Nevada related to the South Arturo mine operation is included in discontinued operations.

FINANCIAL POSITION

Balance Sheet Review

The following discussion excludes the assets and liabilities of South Arturo which are classified as a disposal group on the statement of financial position, and compares the financial position of the Company as of December 31, 2021 to December 31, 2020.

Assets

Cash and cash equivalents increased from \$15.2 million to \$87.7 million, primarily as a result of the net proceeds financing activities of \$222.9 million which included cash received from shares issued in equity financings, private placements and net loan financing partly offset by cash used in operating activities of \$13.0 million and the payment of \$137.6 million for financing activities including the acquisitions in the year, capital expenditure and \$30.2 million environmental liability security placed.

Receivables from related parties decreased to nil due to payments received from Premier in connection with gold sales.

Inventory increased by \$21.6 million to \$26 million due to the Lone Tree and Ruby Hill acquisitions including ore on their respective heap leach pads

Restricted cash and cash equivalents increased from \$5.5 million to \$30.8 million as a result of the collateral related to the increased bonding requirements at Lone Tree and Ruby Hill.

Property, plant and equipment increased from \$100.2 million to \$502.6 million primarily as a result of the assets acquired in the Granite Creek, Lone Tree and Ruby Hill acquisitions.

Liabilities

Accounts payable, accrued liabilities and taxes payable of \$14.1 million at December 31, 2021 was slightly reduced when compared to a total of \$15.8 million at December 31, 2020. The majority of the change is driven by the reduction in current tax payable of \$1m.

Amounts due to related parties and the related party loan to Premier were settled in connection with the closing of the "Arrangement" as further discussed below in "Related Party Transactions".

Working Capital

Working capital, excluding amounts classified as held for sale, as of December 31, 2021 was \$109.0 million compared to \$18.3 million (excluding related party balances) as of December 31, 2020 primarily due to the increase in the Company's cash position.

Cash Flow

For the period ended December 31, 2021, the Company had cash and cash equivalents of \$87.7 million from continuing operations compared to \$15.2 million as of December 31, 2020.

Cash used in continuing operating activities for the three-months ended December 31, 2021 was \$7.4 million compared to \$7.0 million for the comparable three-month period of 2020. An increase in cash used in operating activities from continuing operations in the three-month period of 2021 resulted primarily from an increase in exploration, evaluation and pre-development, and general and administrative expenses as compared to the three-month period of 2020.

Cash provided by operating activities of discontinued operations for the three-months ended December 31, 2021 was \$0.05 million compared to \$25.6 million for the comparable three-month period of 2020. The large cash inflow in 2020 relates to the settlement of intercompany transactions prior to year end that had built up over the year. In 2021 as South Arturo had been disposed of there were no such cash movement.



Cash provided by operating activities of discontinued operations for the twelve-months ended December 31, 2021 was \$9.5 million compared to cash used in operating activities of discontinued operations of \$13.2 million for the comparable twelve-month period of 2020 due to the assets being owned for the full year in 2020 and therefore contributing more cash.

Cash used in investing activities of continuing operations for the three-months ended December 31, 2021 was \$106.5 million compared to \$7.7 million for the comparable period of 2020 mainly due an increase in expenditures on property, plant and equipment and the Ruby Hill acquisition of \$75.1 million and \$30.2 million related to the environmental liability security.

Cash used in investing activities of continuing operations for the twelve months ended December 31, 2021 was \$131.4 million compared to \$7.7 million for the comparable period of 2020 mainly due to the cash consideration paid for the Granite Creek acquisition of \$23.2 million, the Ruby Hill acquisition of \$75.1 million, the environmental liability security. of \$30.2 million and purchase of investments of \$2.0m offset by \$1.5 million reduction in capital expenditures on property, plant and equipment and a net cash inflow on the asset exchange of \$5.1 million.

Cash provided by financing activities of continuing operations for the three months ended December 31, 2021 was \$149.1 million compared to cash used in financing activities of continuing operations of \$2.3 million for the comparable period of 2020. Cash used in financing activities of continuing operations decreased in the three-month period of 2021 mainly due to \$91.4 million received from private placements, \$58.6 million proceeds from convertible loans offset by related party interest of \$2.3 million (2021; nil) paid in the three month period of 2020.

Cash provided by financing activities of continuing operations for the twelve months ended December 31, 2021 was \$222.9 million compared to cash used in financing activities of continuing operations of \$6.2 million for the comparable period of 2020. Cash provided by financing activities of continuing operations for the twelve-month period of 2021 increased mainly due to the net proceeds received from shares issued in equity financings (\$63.7 million), private placements (103.1 million) and convertible loans \$58.6 million offset by related party interest of \$6.2 m (2021; \$1.2 million) paid in the three month period of 2020.

Liquidity and Capital Resources

Liquidity Outlook - Continuing Operations

<i>(in thousands of U.S. dollars)</i>	For the period ended	
	December 31, 2021	December 31, 2020
Cash and cash equivalents	87,658	15,239
Working capital (excluding amounts classified as held for sale, loan payable to Premier and Due to related party)	91,577	18,261
Loan payable to Premier	—	70,496
Due to related party	—	64,767

The Company has funded exploration, evaluation, and pre-development expenditures through its cash flow from South Arturo and from recent equity and debt financings completed in the fourth quarter of 2021. These funds are expected to finance continued exploration and development activities through 2022. As at December 31, 2021, the Company had not yet funded the \$75 million related to the Gold Prepay and Silver Purchase and Sale Agreement. Additionally, the Company has the option, subject to certain conditions precedent, to exercise an accordion feature on both of these instruments to access up to another \$100.0 million.

Equity

At December 31, 2021, the authorized share capital consisted of an unlimited number of common shares without par value, of which 238,703,817 shares were outstanding. Between December 31, 2021 and the date of this MD&A, an additional 800,000 common shares were issued in connection with warrants exercised bringing the total shares outstanding as of the date of this MD&A to 239,503,818. In addition, as of December 31, 2021, and the date of this MD&A, the Company had 26,099,806 warrants, and 6,689,000 stock options outstanding.

The Company has outstanding the Sprott Convertible Credit Agreement dated December 10, 2021, between the Company, Premier Gold Mines USA, Inc., Osgood Mining Company LLC, Ruby Hill Mining Company LLC, Sprott Hathaway Special Situations Fund Master Fund LP, as administrative agent, SAF Sub Holdings, LLC and SAF Bullion Sub, LLC in the principal amount of \$10 million (the "Sprott Convertible Loan"). The Sprott Convertible Loan bears interest at a rate of 8.0% per annum and matures on December 9, 2025 and has a conversion price of C\$3.275. The Canadian dollar equivalent of the \$10 million principal of the Sprott Convertible Loan was deemed to be C\$12.64 million (as determined in accordance with the Sprott Convertible Credit Agreement). An aggregate of 3,860,152 Common Shares have been reserved for issuance in connection with the full conversion of the initial principal amount of the Sprott Convertible Loan.

The Company has outstanding the Orion Convertible Credit Agreement dated December 13, 2021, between the Company, Premier Gold Mines USA, Inc. Osgood Mining Company LLC, Ruby Hill Mining Company LLC and OMF Fund III (F) Ltd. in the principal amount of \$50 million (the "Orion Convertible Loan"). The Orion Convertible Loan bears interest at a rate of 8.0% per annum and matures on December 13, 2025 and has a conversion price of C\$3.275. The Canadian dollar equivalent of the \$50 million principal of the Orion Convertible Loan was deemed to be C\$63.5 million (as determined in accordance with the Orion Convertible Credit Agreement). An aggregate of 19,389,313 Common Shares have been reserved for issuance in connection with the full conversion of the initial principal amount of the Orion Convertible Loan.



Share Capital Issued

On April 7, 2021, just prior to the completion of the Arrangement, the Company issued 137,624,461 common shares to Premier for the transfer of its investment in Premier USA to the Company for the carrying amount of investment, \$150.6 million offset by \$4.4 million allocated to the equity settled employee benefits reserve for replacement options, \$0.9 million for the transfer of the South Arturo silver stream, and \$0.5 million for replacement warrants issued pursuant to the arrangement.

On April 7, 2021, the Company issued 30,914,614 common shares at a price of C\$2.60 per share completing the private placement discussed in Note 1(b). A cash commission was paid equal to 5.25% of the gross proceeds, other than (i) on proceeds from the sale of shares to Orion Mine Finance Group and any directors or officers of the Company or Premier for which the commission was reduced to 2.5% of the gross proceeds received and (ii) on proceeds from the sale of shares to Equinox, for which no commission was paid.

On April 14, 2021, the Company issued 13,036,846 common shares at a price of C\$2.60 per common share for total gross proceeds of \$27.0 million (C\$33.9 million) as part of the consideration on the Granite Creek acquisition.

On May 10, 2021, the Company issued 2,430,488 common shares at a price of C\$2.50 per common share for total gross proceeds of \$5.0 million (C\$6.1 million) as part of the consideration on the acquisition of the Christison properties.

On May 26, 2021, the Company issued 5,479,536 common shares at a price of C\$2.60 per common share for aggregate gross proceeds of \$11.8 million (C\$14.2 million) in satisfaction of an anti-dilution right of Equinox contemplated in the Agreement and immediately prior to the closing of the Christison Acquisition.

On October 14, 2021, the Company issued 39,041,515 common shares at a price of C\$2.62 per common share for aggregate gross proceeds of approximately C\$102.3 million (\$81.4 million) in connection with the closing of a non-brokered private placement.

On October 18, 2021, the Company issued 3,191,358 common shares to Waterton as partial consideration for the acquisition of Ruby Hill of \$8.0 million.

On October 21, 2021, in connection with the Asset Exchange, the Company and Orion agreed that the \$1.75 million transfer fee payable on the disposition of the Company's interest in South Arturo under the offtake agreement with Orion would be satisfied by the issuance of 839,799 common shares of the Company at a price of C\$2.62 per common share. On October 21, 2021, the Company issued 839,799 Common Shares to Orion in satisfaction of the Project Transfer Fee.

On December 9, 2021, the Company issued 4,800,000 common shares at a price of C\$2.62 for gross proceeds of \$10.0 million to Equinox in satisfaction of an anti-dilution right within the Agreement.

Share Purchase Warrants

In connection with the subscription receipts discussed in Note 1 of the Financial Statements, the Company issued 7,728,654 Common Share Purchase Warrants ("warrants") which are exercisable into one fully paid and non-assessable common share of the Company at an exercise price of C\$3.64 per share until October 7, 2022. The warrants include a four month hold period, and the initial fair value of the warrants recognized on inception was \$2.9 million.

In connection with the Arrangement, the Company assumed a warrant liability for 40% of 2 million Premier warrants that were outstanding with Orion Mine Finance on the date the Arrangement. The warrants were set to expire January 31, 2022, however, these warrants were exercised in full prior to the expiration date and the Company issued 800,000 shares in settlement. The liability has been recorded as a reduction in the equity issued on the spin-out of Premier USA to the Company. The initial fair value of the replacement warrants recognized on inception was \$0.5 million.

In connection with the Acquisition of Osgood as further described in Note 1(b) of the Financial Statements, the Company issued 12,071,152 warrants which are exercisable into one fully paid and non-assessable common share of the Company at an exercise price of C\$3.64 per share until April 14, 2024. The warrants included a four month hold period, and the initial fair value of the warrants recognized on inception was \$6.0 million.

In connection with the Finance Package as further described in Note 1(d) of these Consolidated Financial Statements, the Company issued 5.5 million common share warrants exercisable at C\$3.275 per share with an exercise period of 36 months or until December 13, 2024. The fair value of the warrants at inception and at December 31, 2021 was \$3.5 million.

The warrants are considered derivatives because their exercise price is in CAD whereas the Company's functional currency is in USD. Accordingly, the Company recognizes the warrants as liabilities at fair value with changes in fair value recognized in profit or loss. For the year ended December 31, 2021, the Company recognized an increase in the liability of \$6.0 million.

Stock Option Plan

The Company has a share option plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Company. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 1% with respect to any one optionee of the number of issued and outstanding common shares of the Company at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Company's Board of Directors which cannot exceed ten years.

As of December 31, 2021 there were 6,689,000 stock options outstanding at a weighted average exercise price of C\$2.21 per share.



Restricted Share Unit Plan

The Company adopted the Restricted Share Unit ("RSU") plan to allow i-80's Board of Directors to grant its employees non-transferable share units based on the value of the Company's share price at the date of grant. The awards have a graded vesting schedule over a three-year period. Under the RSU plan, the awards can be equity or cash settled immediately upon vesting. As of December 31, 2021 there were no RSU's outstanding.

Deferred Share Unit Plan

The Company adopted the Deferred Share Unit ("DSU") plan to grant non-transferable share units to eligible members of the Board of Directors, eligible employees and eligible contractors. The DSU's are priced based on the value of the Company's share price at the date of grant. The awards have a graded vesting schedule over a three year period. Under the DSU plan, the awards can be equity or cash settled immediately upon vesting. As of December 31, 2021, there were no DSU's outstanding. Between December 31, 2021 and the date of this MD&A, there were 133,382 DSU's outstanding.

RELATED PARTY TRANSACTIONS

Related parties include key management personnel and entities which have control or significant influence as described in Note 1 and 2(b) of the Financial Statements.

Related party transactions included in the Financial Statements are with Premier, the former parent company. Prior to the closing of the Transaction, the Company also participated in related party transactions with Minera Mercedes Minerales S. de R.L. de C.V., a sister company, but which relate solely to reimbursement of expenses paid on each company's behalf and which do not result in revenue or expense to the Company.

The following are related party transactions, recorded at the exchange amount as agreed to by the parties. The amounts noted below are for the period ended December 31, 2021 with comparative amounts for the period ended December 31, 2020:

- (i) The Company recognized revenue for the period ended December 31, 2021 of \$32.0 million (\$37.1 million for the period ended December 31, 2020) from the sale of gold and silver under the transfer pricing agreement with Premier as further described in Note 6 and Note 22(b) of the Financial Statements.
- (ii) Included in related party interest expense for the period ended December 31, 2021 is interest accrued on the intercompany loan payable to Premier in the amount of \$1.2 million (\$4.6 million for the period ended December 31, 2020) as further described in Note 11 of these Financial Statements, and interest paid to Equinox of \$0.06 million (nil for the period ended December 31, 2020) for the bridge loan further described in Note 1(a) of the Financial Statements.
- (iii) Included on the statement of financial position in the comparative period are amounts payable to Premier.
- (iv) Included on the statement of financial position in the comparative period is a loan payable to Premier in the form of an intercompany note as further described in Note 12 of the Financial Statements.
- (v) Included in the statement of cash flows for the twelve months ended December 31, 2021 is the proceeds from Equinox and the subsequent repayment to Equinox for the \$20.75 million bridge loan further described in Note 1(a) of the Financial Statements.
- (vi) Included in operating expenses are share-based payments of \$0.6 million for the period ended December 31, 2021 (\$1. million for the period ended December 31, 2020). The share-based payments are for allocation of expenses from Premier as further described in Note 16 of the Financial Statements.
- (vii) Included in operating expenses is transition services costs of \$0.2 million to Premier for the period ended December 31, 2021 (nil for the period ended December 31, 2020). The transition services costs are for general and administrative services provided by Premier to the Company's head office in Reno, Nevada.

Related Party Balances

In connection with the closing of the Arrangement, all intercompany balances including the receivable from Premier, the payable due to Premier and the intercompany note with Premier were settled with a combination of cash, a distribution of the Company's shares, and a conversion to Premier equity prior to the spin-out of the Company to i-80 Gold. The gold sale receivable from Premier was settled in cash other than \$4.0 million which was distributed back to Premier in the form of a dividend subject to a 5% withholding tax. The payable due to Premier and the intercompany note with Premier were converted to 1,133 shares in the Company at a value of \$140.4 million.

In April 2021, the Company modified a portion of its intercompany note payable to Premier to change the repayment currency from CAD to USD. This modification resulted in the extinguishment of the original intercompany note and recognition of a new intercompany note payable, with the difference of \$8.8 million recorded directly in equity, as this transaction is with Premier in their capacity as a shareholder and is therefore outside the scope of *IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments*.

COMMITMENTS AND CONTINGENCIES

Environmental Rehabilitation Provision

The Company currently has four active environmental rehabilitation obligations related to past and current mining activities. As per the table below, the provisions for each project are updated regularly for a change to the risk-free discount rate, accretion, and currency adjustments if applicable. Changes in estimates on the projects are applied where an engineering assessment on the project has been carried out. As of



December 31, 2021, the Company is no longer obligated for the environmental rehabilitation of South Arturo due to the asset exchange with NGM that was completed in the fourth quarter of 2021.

	Year ended December 31,	
(in thousands of U.S. dollars) ⁽ⁱ⁾	2021	2020
Granite Creek	2,394	—
South Arturo	—	3,427
Lone Tree	60,592	—
Ruby Hill	23,179	—
McCoy-Cove	6,684	4,728
Total	92,849	8,155

⁽ⁱ⁾ May not add due to rounding.

Granite Creek

This recently acquired project has a current remediation plan of 3 years after the current approximate life of mine of the project of 10 years. There are no expenditures projected in the next few years.

Lone Tree

The assets at Lone Tree include an autoclave and flotation mill, which are currently not operating. There are no reclamation activities ongoing at Lone Tree. As of December 31, 2021, Management estimates the environmental rehabilitation obligation at Lone Tree at \$60.6 million. This amount is based on cost estimates from NGM and standardized reclamation cost estimators and includes closure of all permitted mining and exploration disturbance at the property. Management intends to undertake an environmental evaluation of the property during 2022 and will update the estimated environmental obligation as part of its normal period end review.

Ruby Hill

As of December 31, 2021, Management estimates the environmental rehabilitation obligation at \$23.2 million. This amount includes the closure of all permitted mining and exploration disturbance and is calculated using standardized reclamation cost estimators. Management intends to undertake an environmental evaluation of the property during 2022 and will update the estimated environmental obligation as part of its normal period end review.

McCoy-Cove

The Corporation is responsible for all environmental liabilities related to the closure of the McCoy-Cove Property as well as final clean-up of surface drill pads and minor drill roads. There were no reclamation activities or expenditures during the fourth quarter of 2021. The McCoy-Cove reclamation obligation is in part related to the McCoy portion of the property purchased from Newmont Mining Corporation in 2014. All closure activities other than reclamation of three water treatment ponds, evaporation of the tailings facility and water quality testing have been temporarily put on hold pending the potential for future production out of the Cove underground. The property had a remaining obligation from previous mining activities, most of which was completed prior to acquiring the property. There are ongoing reclamation activities related to the tailings dam and the cleanup of the old pads. Structural reclamation is on hold for several years pending a new mine plan for the property. The other portion is related to the Cove underground project which will not commence reclamation for several years. That portion of the provision was only impacted by accretion and an updated risk-free discount rate.

Surety Bonds

As of December 31, 2021, the Company has outstanding surety bonds in the amount of \$121.0 million in favor of either the United States Department of the Interior, Bureau of Land Management ("BLM"), or the State of Nevada, Department of Conservation & Natural Resources as financial support for environmental reclamation and exploration permitting. This includes replacement bonds for the Lone Tree project and the Ruby Hill property in the amounts of \$85.4 million and \$22.8 million, respectively. The surety bonds are secured by a \$30.7 million deposit and are subject to fees competitively determined in the marketplace. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the BLM and State of Nevada as beneficiary of the instruments, will return the instruments to the issuing entity. As these instruments are associated with operating sites with long-lived assets, they will remain outstanding until closure.

Option Agreements

Tabor Exploration and Option Agreement

On August 24, 2020, the Company through its wholly-owned subsidiary Au-Reka Gold Corporation entered into an option agreement with Renaissance Exploration, Inc. to acquire a 100% interest in the Tabor Project located in Esmeralda County, Nevada, subject to initial earn-in option payments of \$5.2 million and a firm commitment to spend \$0.3 million towards exploration activities by the one-year anniversary date that the Company acquires an exploration permit on the property.

Rye Vein Exploration and Earn-In Agreement

In September 2020, the Exploration and Earn-In Agreement for interest in the Rye Vein property was terminated in accordance with its terms.



Changes to Other Agreements

In connection with the closing of the Arrangement on April 7, 2021, the offtake, gold prepay and silver stream agreements were amended to exclude certain parties and projects that were included in the original agreements.

The Second Amended and Restated Offtake Agreement entered into with OMF Fund II (O) Ltd. (formerly OMF Fund II SO Ltd.) was replaced with a new Offtake Agreement with i-80 Gold ("New Offtake Agreement") covering the Company's projects, including Osgood Mine LLC. Under the terms of the New Offtake Agreement, the Annual Gold Quantity means (i) an aggregate of 29,750 ounces of refined gold for 2021, and (ii) up to an aggregate of 31,500 ounces of refined gold annually each year. The New Offtake Agreement ends on March 1, 2027.

The Amended and Restated Silver Stream Agreement was replaced with a new South Arturo Purchase and Sale Agreement (Silver) between i-80 Gold and OMF Fund II SO Ltd. with amended terms. Agreement was included in the net asset value in connection with the asset exchange with NGM, and therefore no longer on the balance sheet as of December 31, 2021.

As part of the Finance Package the Company entered on December 13, 2021 there was a restatement to the offtake agreement entered into with affiliates of Orion. The main amendments reflected in A&R Offtake Agreement include the increase in the term of the agreement to December 31, 2028, the inclusion of the Granite Creek and Ruby Hill projects, and the increase of the annual gold quantity to up to an aggregate of 37,500 ounces in respect of the 2022 and 2023 calendar years and up to an aggregate of 40,000 ounces in any calendar year after 2023.

Off Balance Sheet Arrangements

The Company has not participated in off-balance sheet or income statement arrangements other than the surety bonds discussed above.

Subsequent events

The Gold Prepay Agreement with Orion was amended in March 2022 to provide that commencing on March 31, 2022, the Company will deliver to Orion 1,600 troy ounces of gold for the calendar quarter ending March 31, 2022, 3,100 troy ounces of gold for the calendar quarter ending June 30, 2022 and thereafter, 2,100 troy ounces of gold per calendar quarter until September 30, 2025, in satisfaction of the \$45 million prepayment.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES, POLICIES AND CHANGES

Significant Accounting Judgements and Estimates

The preparation of Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

The significant judgments and estimates used in the preparation of these Consolidated Financial Statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial year include:

Osgood Mining Company LLC Acquisition

With regard to the acquisition of Osgood, management followed the guidance within IFRS 3 – Business Combinations and determined that the transaction should be accounted for as an asset acquisition. In such cases, the acquirer identifies and recognizes the individual identifiable assets acquired and liabilities assumed. The cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event will not give rise to recording goodwill.

The Osgood transaction was recorded based on the total consideration paid for the assets. Total consideration paid in excess of the acquired assets' book values represented the fair value of the net assets acquired and was attributable to the acquired mineral interests.

For contingent consideration and payments, an accounting policy choice exists, and an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. For the Osgood acquisition, management has not recognized any liability for contingent payments as the performance conditions required for these payments had not been met as of the date the assets were acquired.

Acquisition of Ruby Hill

The acquisition of Ruby Hill was assessed by management under the guidance of IFRS 3 – Business Combinations, management determined that they acquired a business and therefore accounted for the acquisition as a business combination under this standard. The fair value of assets acquired and liabilities assumed in this business combination, including deferred consideration, was estimated based on information available at the date of acquisition. Various valuation techniques were applied for measuring fair value including market comparable transactions and discounted cash flows which rely on assumptions such as forward commodity prices, quantity of mineral resources, mining and processing costs and discount rates. Changes in these variables could significantly impact the carrying value of the net assets.

Asset Exchange with Nevada Gold Mines LLC

The Asset Exchange with Nevada Gold Mines LLC was assessed by management under the guidance of IFRS 3 – Business Combinations. Management determined the assets acquired in this transaction did not meet the definition of a business and therefore accounted for the acquisition as an asset acquisition. As the consideration for this transaction was largely the South Arturo operations, the fair value of consideration given could not be measured as reliably as the fair value of the assets acquired and so management took the approach of valuing the assets acquired at fair value instead of the consideration paid. The fair value of assets acquired and liabilities assumed in this asset acquisition, was estimated based on information available at the date of acquisition. Various valuation techniques were applied for measuring fair value including market comparable transactions and discounted cash flows which rely on assumptions such as forward commodity prices, quantity of mineral resources, mining and processing costs and discount rates. Changes in these variables could significantly impact the carrying value of the net assets. A gain was recognized on this transaction, which reflected the difference between the carrying value of the non-cash consideration and its fair value.

Provisions for environmental rehabilitation

Management assesses the provisions for environmental rehabilitation on acquisition, on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs required based on the existing laws and regulations in each jurisdiction the Company operates in, the timing of these expenditures, and the impact of changes in the discount rate. The actual future expenditures may differ from the amount currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and / or regulatory requirements in the future.

Valuation of financial instruments

Concurrent with the Transaction described in Note 1 of these Consolidated Financial Statements, the Company issued warrants and completed certain financing agreements with Orion and Nomad that included an Offtake Agreement and a Stream Agreement.

Warrants

The Company issued warrants in connection with the Transaction as further described in Note 1 and Note 14(i) and the Finance Package as described in Note 1(d). The warrants are considered derivatives because their exercise price is in C\$ whereas the Company's functional currency is in USD. Accordingly, the Company recognizes the warrants as liabilities at fair value with changes in fair value recognized in profit or loss. In determining fair value, management judgement is required in respect to input variables of the financial model used for estimation purposes. These variables include such inputs as the Company's stock price, stock price variability, trading volumes and risk-free rates of return. The fair value of the warrants recognized on inception were calculated using Premier's share price volatility and at December 31, 2021, using i-80 Gold's share price volatility.

Financing

The financing instruments described in Note 1(d) were valued by simulating the relevant prices of the underlying assets; gold, silver and the Common Shares, from December 9 or 13, 2021, to their respective maturity dates of each financial instrument, using Longstaff Schwartz Monte Carlo simulation, assuming they follow correlated Geometric Brownian Motion and modeling the payoffs of each financial instrument in the Financing Package. The derivatives (including embedded) were fair valued with the residual balance being allocated to the host contracts. The derivatives (including embedded) will continue to be recognized at FVPL whilst the host contracts are at amortized cost. No value was attributed to the unfunded instruments in the Finance Package on inception or at December 31, 2021.

The Company has determined that the South Arturo Stream Agreement represented a financial liability and evaluated the liability under IFRS 9 and the valuation of financial instruments. In determining the fair value of the Stream Agreement management judgement was required in respect to input variables of the financial model used for estimation purposes. These variables include such inputs as the Company's production profile, credit spread, and metal prices. Using the inputs above the Company used a discounted cash flow analysis to determine the present value of the financial liability.

Assets held for sale and discontinued operations

Significant judgement was required in the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (“IFRS 5”) regarding the Company's 40% interest in the South Arturo asset classification as assets held for sale and classification as a discontinued operation.

In October, 2021, the Company announced that it had entered into a definitive agreement with Nevada Gold Mines (“NGM”) whereby the Company acquired the Lone Tree and Buffalo Mountain gold deposits in exchange for (among other consideration) the Company's 40% interest in the South Arturo property. Management determined that the South Arturo asset should be classified as a discontinued operation in the Consolidated Financial Statements.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included certain terms or performance measures commonly used in the mining industry that are not defined under IFRS in this document. These include: cash cost per ounce sold, all-in sustaining cost ("AISC") per ounce sold, earnings before interest, tax, depreciation and amortization, capital expenditures (expansionary), capital expenditures (sustaining), adjusted net earnings and average realized price per ounce. Non-IFRS financial performance measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and should be read in conjunction with the Company's Financial Statements.

Definitions

Adjusted earnings and earnings per share excludes significant one off transactions.

All-in sustaining costs per ounce include total production cash costs on a by-product basis plus incorporates costs related to sustaining production.

Average realized gold price represents the sales price of gold per ounce before deducting mining royalties, treatment and refining charges as well as gain or losses derived from the offtake agreement with Orion.

By-product credits include revenues from the sale of by-products from operating mines.

Capital expenditure (expansionary) is a capital expenditure intended to expand the business or operations by increasing production capacity beyond current levels of performance and includes capitalized exploration.

Capital expenditure (sustaining) is a capital expenditure necessary to maintain existing levels of production. The sustaining capital expenditures maintain the existing mine fleet, mill and other facilities so that they function at levels consistent from year to year.

Cost of sales per ounce sold is calculated by dividing the attributable cost of sales by the attributable ounces sold.

Exploration and evaluation (sustaining) expense is presented as mine site sustaining if it supports current mine operations.

Rehabilitation – accretion and amortization include depreciation on the assets related to the rehabilitation provision of gold operations and accretion on the rehabilitation provision of gold operations.

Cash Costs

Cash costs per ounce sold represents all direct and indirect operating costs related to the physical activities of producing gold, including on-site mining costs, processing, third-party smelting, refining and transport costs, on-site general and administrative costs, community site relations, royalties and royalty tax. State of Nevada net proceeds taxes are excluded. Cash costs incorporate the Company's share of production costs but exclude, among other items, the impact of depletion, depreciation and amortization ("DD&A"), reclamation costs, financing costs, capital development and exploration and income taxes. In order to arrive at consolidated cash costs, the Company includes its attributable share of total cash costs from operations where less than 100% interest in the economic share of production is held.

Cash cost: by-product - When deriving the cash costs associated with an ounce of gold, the Company includes by-product credits, as the Company considers that the cost to produce the gold is reduced as a result of the by-product sales incidental to the gold production process. Accordingly, total production costs are reduced for revenues earned from silver sales.

Cash costs per ounce is a common financial performance measure in the mining industry, but the term does not have any standardized meaning. In determining its cash cost and cash cost per ounce, the Company has considered the guidelines provided by the World Gold Council, a non-regulatory, non-profit market development organization for the gold industry. A Company's adoption of the standard is voluntary and other companies may quantify these measures differently as a result of different underlying principles and policies applied.

All-in Sustaining Costs ("AISC")

AISC include total production cash costs incurred at the Company's mining operations, which forms the basis of the Company's by-product cash costs. Additionally, the Company includes sustaining capital expenditures which are expended to maintain existing levels of production (to which costs do not contribute to a material increase in annual gold ounce production over the next 12 months), rehabilitation accretion and amortization, general and administrative (excluding stock compensation) and exploration and evaluation expenses. The measure seeks to reflect the full cost of production from current operations, therefore expansionary capital is excluded. Certain other cash expenditures, including tax payments (including the State of Nevada net proceeds tax), dividends and financing costs are also excluded. The Company reports AISC on a per ounce sold basis.

This financial performance measure was adopted as a result of an initiative undertaken within the gold mining industry; however, this performance measure has no standardized meaning and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. In determining AISC, the Company has considered the guidelines provided by the World Gold Council, a non-regulatory, non-profit market development organization for the gold industry. A Company's adoption of the standard is voluntary and other companies may quantify these measures differently as a result of different underlying principles and policies applied.



The following table provides a reconciliation on a by-product basis for gold cash cost and AISC for the three and twelve months ended December 31, 2021:

	For the three months ended December 31, 2021		For the twelve months ended December 31, 2021	
Discontinued Operations:				
<i>(in thousands of U.S. dollars, except per ounce information in dollars)⁽ⁱ⁾</i>				
		Per gold ounce sold		Per gold ounce sold
Cost of sales excluding depletion, depreciation and amortization	—	—	17,207	963
Depletion, depreciation and amortization	—	—	1,691	95
Total cost of sales	—	—	18,898	1,058
Depletion, depreciation and amortization	—	—	(1,691)	(95)
Other costs ⁽ⁱⁱ⁾	—	—	29	2
Cash cost	—	—	17,236	965
General and administrative	—	—	708	40
Rehabilitation - accretion and amortization	—	—	26	1
Sustaining capital expenditures	—	—	1,879	105
Sustaining exploration and evaluation expense	—	—	1,034	58
All-in sustaining cost	—	—	20,883	1,169
Total gold ounces produced		—		14,330
Total ounces sold⁽ⁱⁱⁱ⁾		—		17,848

⁽ⁱ⁾ Results may not add due to rounding

⁽ⁱⁱ⁾ General and administrative expenses that align with all-in sustaining costs

⁽ⁱⁱⁱ⁾ Given the smaller nature of South Arturo silver output, any silver revenue received offset costs

The following table provides a reconciliation on a by-product basis for gold cash cost and AISC for the three and twelve months ended December 31, 2020:

	For the three months ended December 31, 2020		For the twelve months ended December 31, 2020	
Discontinued Operations:				
<i>(in thousands of U.S. dollars, except per ounce information in dollars)⁽ⁱ⁾</i>				
By-Product		Per gold ounce sold		Per gold ounce sold
Cost of sales excluding depletion, depreciation and amortization	6,091	1,337	22,439	1,070
Depletion, depreciation and amortization	719	158	4,148	198
Total cost of sales	6,810	1,495	26,587	1,268
Depletion, depreciation and amortization	(719)	(158)	(4,148)	(198)
Other costs ⁽ⁱⁱ⁾	(803)	(176)	(996)	(48)
Cash cost : by-product	5,288	1,161	21,443	1,022
General and administrative	1,023	225	2,073	99
Rehabilitation - accretion and amortization	4	1	18	1
Sustaining capital expenditures	—	—	—	—
Sustaining exploration and evaluation expense	(265)	(58)	—	—
All-in sustaining cost : by-product	6,050	1,329	23,534	1,122
Total gold ounces produced		4,899		23,489
Total ounces sold⁽ⁱⁱⁱ⁾		4,555		20,966

⁽ⁱ⁾ Results may not add due to rounding

⁽ⁱⁱ⁾ General and administrative expenses that align with all-in sustaining costs

⁽ⁱⁱⁱ⁾ Given the smaller nature of South Arturo silver output, any silver revenue received offset costs

Adjusted Earnings

Adjusted earnings and basic adjusted earnings per share are non-IFRS measures that the Company considers to better reflect normalized earnings because it eliminates non-recurring items. Certain items that become applicable in a period may be adjusted for, with the Company



retroactively presenting comparable periods with an adjustment for such items and conversely, items no longer applicable may be removed from the calculation. Neither adjusted earnings nor basic adjusted earnings per share have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

The following table shows a reconciliation of adjusted earnings for the three and twelve months ended December 31, 2021 and 2020, to the net earnings for each period.

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
<i>(in thousands of U.S. dollars, unless otherwise noted)</i>				
Net Gain/(Loss) for the period - Continuing operations	\$ 101,726	\$ (5,406)	\$ 76,620	\$ (12,490)
Adjust for:				
Ruby Hill acquisition costs included in general and administrative	1,243	—	1,243	—
Restructuring cost	—	—	4,444	—
(After-tax gain) on asset exchange	(106,702)	—	(106,702)	—
Total Adjustments	(105,459)	—	(101,015)	—
Adjusted Earnings (loss) for the period - Continuing Operations	(3,733)	(5,406)	(24,395)	(12,490)
Weighted Average shares for the period	228,398,521	481	148,288,884	481
Adjusted earnings (loss) per share for the period	(0.02)	(11,239)	(0.16)	(25,967)

RISKS AND RISK MANAGEMENT

The Company's activities expose it to risks, including financial and operational risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns and which are more fully described in the "Risks and Uncertainties" section of this MD&A.

Financial Instruments and Related Risks

The Company's operations include the acquisition, exploration and development of mineral properties located in the State of Nevada. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk

The Company closely monitors its financial assets and does not have any significant concentration of trade credit risk. The Company sells its products exclusively to large international financial institutions and other organizations with strong credit ratings. The historical level of customer defaults is negligible and, as a result, the credit risk associated with trade receivables is considered to be negligible. The trade receivable balance outstanding at December 31, 2021 was nil (December 30, 2020 - \$10.3 million).

Cash

In order to manage credit and liquidity risk, the Company invests only in highly rated investment grade instruments that have maturities of 90 days or less and which are redeemable after 30 days or less into a known amount of cash. Limits are also established based on the type of investment, the counterparty and the credit rate. The credit risk on cash and cash equivalents is therefore negligible.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

As of December 31, 2021, the Company's liabilities that have contractual maturities total \$121.1 million. This amount is comprised \$14.1 million of accounts payable and accrued liabilities, \$47 million of deferred consideration payable over the next 22 months and \$60m of convertible loans that mature in December 2025

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company holds excess cash in interest bearing bank accounts rather than investments, the interest rate risk is minimal.



Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Fair value

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company calculates fair values based on the following methods of valuation and assumptions:

Financial assets

Financial assets are carried at amortized cost. The fair value of cash and cash equivalents and receivables approximate their carrying value due to their short-term nature.

The Company's investment as further described in Note 8 of these Consolidated Financial Statements is classified within level 2 of the fair value hierarchy and is fair valued using the common share price from the most recent subscription agreement.

Financial liabilities

Financial liabilities not classified as FVPL are carried at amortized cost. Accounts payable and accrued liabilities approximate their carrying value due to their short term nature.

Deferred consideration related to Ruby Hill was recognized at fair value on acquisition and at December 31, 2021. This liability is classified within level 3 of the fair value hierarchy as it involves managements best estimate of whether or not the key activities required for each milestone payment will be achieved. Management has assumed that all milestones will be achieved and the early repayment option will be taken so the fair value of the deferred consideration is the \$47 million discounted at 7.5%.

The fair value of the loan payable to Premier approximates the carrying value as the interest rates are comparable to current market rates.

The share-based payment and warrant liabilities are classified within level 2 of the fair value hierarchy and are fair valued using a valuation model that incorporates such factors as the Company's share price volatility, risk free rates and expiry dates including managements assumptions on forfeiture rates.

The silver stream liability is classified within level 3 of the fair value hierarchy and is fair valued using the net present value of expected future cash flows based on management assumptions on silver deliveries under the stream and a discount rate that includes the risk premium that market participants require.

The Finance Package is classified within level 3 of the fair value hierarchy and is fair valued using credit spread calculated at inception and simulating out the expected movement in gold, silver and the Company's share price whilst considering key assumptions like the discount rate that includes the risk premium that market participants require, the volatility in the Company's share price and the discount for lack of marketability.

Management of Capital Risk

The Company manages its share capital and equity settled employee benefits reserve as capital, the balance of which is \$363.9 million at December 31, 2021 (\$17.4 million at December 31, 2020). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and adjusts it after evaluating changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire, or dispose of assets or acquire new debt.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. In connection with the financing



described in Note 1(a) of these Financial Statements the Company expects it will have sufficient capital to carry out its exploration and evaluation plans through 2022.

Risks and Uncertainties

COVID-19 and Other Global Pandemics

Though mining operations at the Ruby Hill Mine, and exploration and development work at Granite Creek, Lone Tree and McCoy Cove, are continuing with no significant interruptions to date, the Company may nonetheless be impacted at any time by the current global coronavirus outbreak and associated COVID-19 global pandemic, as well as related governmental regulations, restrictions and other measures and business disruptions due to the impact of same on third parties with whom the Company is associated or does business. The Company is currently complying with all federal, state and local governmental regulations concerning COVID-19.

While the majority of our employee and contractor teams are currently operating following the extensive contagion prevention measures that have been put in place to protect the operations teams and the surrounding communities, the ever-changing nature of the contingency may have a material adverse impact on the Company as it could result in disruptions to production, delays in the development timeline and increased costs. In addition, government authorities could impose new or additional requirements resulting in further limitations on the activities, or the suspension of all activities.

Alternatively, in the event of an outbreak of COVID-19 at site at any of the Company's projects, government authorities, either federally or locally, or the Company could determine that a full suspension of all of its operations is necessary for the safety and protection of the workers. A complete suspension of operations could result in delays in production, the development of the project, result in additional increases in costs and have a material adverse effect on the financial position of the Company. If authorities were to impose a suspension order caused by the COVID-19 virus outbreak, or if there is a full suspension of operations at the mine site for an undefined period of time there could be additional medical and other costs to be incurred, project delays, cost overruns, and operational restart costs. Moreover, the actual and threatened further spread of COVID-19 globally could continue to negatively impact stock markets, including the trading price of the Company's Common Shares, could adversely impact the Company's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive and could result in any operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

Fluctuating Commodity Prices

Historically, gold and other precious metals prices have fluctuated widely and are affected by numerous external factors beyond the Company's control, including industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, production and cost levels in major producing regions, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events. Resource prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of or any combination of, these factors may result in not receiving an adequate return on invested capital and a loss of all or part of an investment in securities in the Company.

No Assurance of Title

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in its name where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company has a limited ability to ensure that it has obtained secure ownership claims to individual mineral claims. While the Company's intention is to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that the Company will be successful in extending or renewing mineral rights on or prior to expiration of their term or that the title to any such properties will not be affected by an unknown title defect.

Construction and Start-up of New Mines

The success of construction projects and the start up of new mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits), the successful completion and operation of ore passes, the adsorption/de-adsorption, recovery plants and conveyors to move ore, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start up of new mines as planned. There can be no assurance that current or future construction and start up plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction and start up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Company will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the start up costs and the ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.



Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations, and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. Where required, obtaining necessary licenses and permits can be a complex and time-consuming process. The costs and delays associated with obtaining necessary licenses and permits could stop or materially delay or restrict the Company from proceeding with the development of an exploration project. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development, and mining operations at its mineral projects or that the Company will be able to comply with the conditions of all such necessary licenses and permits in an economically viable manner.

Environmental Regulations and Potential Liabilities

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental hazards may exist on the properties on which the Company holds interests which are unknown at present, and which have been caused by previous or existing owners or operators of the properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties. The potential financial exposure may be significant.

Infrastructure

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, railways, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and results of operations.

Availability and Costs of Infrastructure, Energy and Other Commodities

Mining, processing, mine construction and development, capital development projects and exploration activities depend on adequate infrastructure. Reliable access to energy and power sources and water supply are important factors that affect capital and operating costs. If the Company does not have timely access to adequate infrastructure, there is no assurance that it will be able to start or continue exploiting and develop projects, complete them on timely basis or at all. There is no assurance that the ultimate operations will achieve the anticipated production volume, or that construction costs and operating costs will not be higher than estimates calculated.

The profitability of the Company's business is also affected by the market prices and availability of commodities and resources which are consumed or otherwise used in connection with the Company's operations and development projects such as diesel fuel, electricity, finished steel, tires, steel, chemicals, and reagents. Prices of such commodities and resources are also subject to volatile price movements, which can be material and can occur over short periods of time due to factors beyond the Company's control.

If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to continue all of the Company's commercial production and development activities and this could have an adverse effect on profitability. An increase in worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labor could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules.

Further, the Company relies on certain key third party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction, and continuing operation of its assets. As a result, the Company's activities are subject to a number of risks some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

Uncertainty of Production Estimates

Future estimates of production for the Company's mining operations are derived from a mining plan and these estimates are subject to change. There is no assurance the production estimates will be achieved and failure to achieve production estimates could have a



materially adverse effect on the Company's future cash flow, results of operations and financial condition. These plans are based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores and estimated rates and costs of production. Actual ore production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above.

Such occurrences could result in damage to mineral properties, interruptions in production, money losses and legal liabilities and could cause a mineral property that has been mined profitably in the past to become unprofitable.

Any decrease in production or change to the timing of production or the prices realized for gold sales, will directly affect the amount and timing of the cash flow from operations. A production shortfall or any of these other factors would change the timing of the Company's projected cash flow and its ability to use the cash to fund capital expenditures.

Financing Risk

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing debt and equity market conditions, the price of gold, the performance of the Company and other factors outlined herein. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

If the Company raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in the Company diluted.

In addition, failure to comply with covenants under the Company's current or future debt agreements or to make scheduled payments of the principal of, or to pay interest on, its indebtedness or to make scheduled payments under hedging arrangements would likely result in an event of default under the debt agreements and would allow the lenders to accelerate the debt under these agreements, which may affect the Company's financial condition.

Dependence on Key Personnel

The Company's success is dependent on a relatively small number of key employees. The loss of one or more of these key employees, if not replaced, could have a material adverse effect on the Company's business, results of operations and financial condition.

Dependence on Third Parties

The Company relies significantly on strategic relationships with other entities and also on good relationships with regulatory and governmental departments. The Company also relies upon third parties to provide essential contracting services. In some cases, the Company holds its interest in its properties through joint ventures where it is not the manager of the joint venture. In these situations, the joint venture decision may not accord with the Company's stated or desired plan. There can be no assurance that existing relationships will continue to be maintained or that new ones will be successfully formed, and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance, which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact the Company, its business, operating results, and prospects.

Losses from or Liabilities for Risks which are not Insured

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development and mining. The Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities would have a material, adverse effect on the Company's financial position and results of operations.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition and results of operations.

Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, state and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, water use, land use, land claims that may be brought by third parties, environmental protection and remediation, endangered and protected species, mine safety and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition, and results of operations of the Company. The costs and delays associated with obtaining necessary licenses and permits and complying with these licenses and permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of a project. Any failure to comply with applicable laws and regulations or licenses and permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties, or other liabilities. The Company may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. These laws and regulations are administered by various governmental authorities including the federal, state, and local governments.

Health and Safety

Mining operations generally involve a high degree of risk. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could



result in occupational illness, health issues and personal injuries. The Company has implemented various health and safety measures designed to mitigate such risks. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

Tax Matters

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively impact the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Any taxes relating to the spin-out of the Company under the Arrangement are affected by a number of factors, some of which are outside of the control of the parties, including the application and interpretation of the relevant tax laws and treaties. The Company has indemnified Equinox Gold Corp. ("Equinox") and Premier Gold Mines Limited ("Premier Gold Mines") against certain claims if made against Equinox. or Premier Gold Mines arising in connection with or relating in any way to specified liabilities, including any direct or indirect taxes for which Premier may be liable in connection with, generally speaking, the contribution of Premier Gold Mines USA, Inc. to the Company and the spin-out transaction. If filing positions of the Premier Gold Mines or the Company were to be challenged for whatever reason, this could trigger indemnification requirements and therefore have a material adverse effect on the Company's financial condition.

Information Technology

A failure or breach of the Company's network systems could corrupt the Company's financial or operational data and may have a material adverse impact on the Company's reputation and results of operations.

Major equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt the Company's business functions, including the Company's exploration and production activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Company relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data or an operational disruption of the Company's production infrastructure could, among other potential impacts, result in: loss of production or accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation or its relationship with customers, vendors and employees; or events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Labor Difficulties

Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations which might result in the Company not meeting its business objectives.

Nature of Mineral Exploration and Mining

The economics of exploring and developing mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, allowable production, importing and exporting of minerals and environmental protection.

The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The operations of the Company are also subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to inclement or hazardous weather conditions depending on the location of operations in which the Company has interests. Hazards, such as unusual or unexpected geological formations, rock bursts, formation pressures, cave-ins, flooding, or other conditions may be encountered in the drilling and removal of material. Other risks include, but are not limited to, mechanical equipment performance problems, industrial accidents, labor disputes, drill rig shortages, the unavailability of materials and equipment, power failures, hydrological conditions, earthquakes, fires, landslides, and other Acts of God. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Estimates of Mineral Resources and Mineral Reserves

Mineral reserves and mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. Mineral reserve and mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, 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. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience. Fluctuations in gold or silver prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should reductions in mineral resources or mineral reserves occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and, as a result, the volume and grade of mineral reserves mined and processed, and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves, could have a material adverse effect on the Company's results of operations and financial condition. Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Competition

There is significant competition in the precious metals mining industry for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labor to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its projects. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of the Company, its operations and financial condition could be materially adversely affected.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (British Columbia) to disclose the conflict of interest and to abstain from voting on the matter.

Failure to further develop the Ruby Hill Mine may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

The ability of the Company to sustain or increase the present level of gold and silver production is dependent on the success of its projects. Following the completion of the Asset Exchange and the Ruby Hill Acquisition, the only project currently in production is the Ruby Hill Mine. Risks and unknowns inherent in all projects include, but are not limited to: the accuracy of mineral reserve and mineral resource estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital and operating costs of ongoing production of the project; the future price of gold and silver; environmental compliance regulations and restraints; political climate and/or governmental regulation and control; the accuracy of engineering; the ability to manage large-scale construction and scoping of major projects, including delays, aggressive schedules and unplanned events and conditions. The significant capital expenditures and long time period required to further develop this project are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics. The Company's ability to maintain licenses to operate the Ruby Hill Mine is also important to the success of this project. Actual costs and economic returns may differ materially from estimates prepared by the Company, or the Company could fail or be delayed in obtaining all approvals necessary for execution of the project, in which case, the project may not proceed either on its original timing or at all. In addition, the Ruby Hill Mine may not demonstrate attractive economic feasibility at low gold or silver prices.

The capital costs for the Ruby Hill Mine may outweigh the Company's capital, financial and staffing capacity and may adversely affect the development of the Ruby Hill Mine. The inability to further develop the Ruby Hill Mine could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.



Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of, and compliance with, necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for the Company to, among other things, find or generate suitable sources of water and power for the project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures. It is also not unusual in the mining industry for mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring the investment of more capital than anticipated.

If the Company is not able to obtain any additional financing required to advance exploration and development at the Ruby Hill Mine, the Lone Tree project (including the refurbishment and retrofit of the Lone Tree facilities), the McCoy-Cove Project, the Granite Creek project and the Buffalo Mountain project, it may be required to reduce the scope of its planned business objectives which may have a material adverse effect on its future prospects.

The Company will have various capital requirements and exploration and development expenditures as it proceeds to expand exploration and development activities at its mineral properties (including the refurbishment and retrofit of the Lone Tree facilities), develop any such properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. Funds from mining operations at the Ruby Hill Mine are not expected to be sufficient to fund such capital requirements. The continued exploration and future development of the Company's exploration and development-stage properties will therefore depend on the Company's ability to obtain the required financing. In particular, any potential development of its projects will require substantial capital commitments, which the Company cannot currently quantify and may not currently have in place. The Company can provide no assurance that it will be able to obtain financing on favorable terms or at all.

In addition, the Company may incur substantial costs in pursuing future capital requirements, 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 price of gold on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. If the Company is unable to obtain additional financing as needed, it may not be able to move forward with its planned exploration and development activities for at the Ruby Hill Mine, the Lone Tree project (including the refurbishment and retrofit of the Lone Tree facilities), the McCoy-Cove Project, the Granite Creek project and the Buffalo Mountain project. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

There may be undisclosed risks and liabilities relating to the Ruby Hill Acquisition.

While the Company conducted substantial due diligence of the Ruby Hill Mine and Ruby Hill Mining Company LLC in connection with the Company's evaluation of the Ruby Hill Acquisition, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities relating to the Ruby Hill Mine for which the Company is not indemnified pursuant to the provisions of the definitive agreement relating to the Ruby Hill Acquisition. Any such unknown or undisclosed risks or liabilities could have a material adverse effect on its business, results or operations and financial position. The Company could encounter additional transaction and integration related costs or other factors, such as the failure to realize all of the benefits anticipated in the Ruby Hill Acquisition. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the Ruby Hill Acquisition and cause a decrease in the market price of the Common Shares.

The anticipated benefits of the Ruby Hill Acquisition may not be realized.

There can be no assurance that management of the Company will be able to fully realize the expected benefits of the Ruby Hill Acquisition. There is a risk that some or all of the expected benefits will fail to materialize, or may not occur within the time periods anticipated by management of the Company. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company.

There may be undisclosed risks and liabilities relating to the Asset Exchange.

While the Company conducted substantial due diligence of the Lone Tree and Buffalo Mountain properties in connection with the Company's evaluation of the Asset Exchange, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities relating to the Lone Tree or Buffalo Mountain properties for which the Company is not indemnified pursuant to the provisions of the definitive agreement relating to the Asset Exchange. Any such unknown or undisclosed risks or liabilities could have a material adverse effect on its business, results or operations and financial position. The Company could encounter additional transaction and integration related costs or other factors, such as the failure to realize all of the benefits anticipated in the Asset Exchange. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the Asset Exchange and cause a decrease in the market price of the Common Shares.

The anticipated benefits of the Asset Exchange may not be realized.

There can be no assurance that management of the Company will be able to fully realize the expected benefits of the Asset Exchange. There is a risk that some or all of the expected benefits will fail to materialize, or may not occur within the time periods anticipated by management of the Company. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company.

There may be undisclosed risks and liabilities relating to the Granite Creek Acquisition.

While the Company conducted substantial due diligence of the Granite Creek Project and Osgood Mining Company LLC in connection with the Company's evaluation of the acquisition of the Granite Creek Project (the "Granite Creek Acquisition"), there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities relating to the Granite Creek Project for which the Company is not indemnified pursuant to the provisions of the Granite Creek Acquisition Agreement. Any such unknown or undisclosed risks or liabilities could have a material adverse effect on its business, results of operations and financial position. The Company could encounter additional transaction and integration related costs or other factors, such as the failure to realize all of the benefits anticipated in the Granite



Creek Acquisition. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the Granite Creek Acquisition and cause a decrease in the market price of the Common Shares.

The anticipated benefits of the Granite Creek Acquisition may not be realized.

There can be no assurance that management of the Company will be able to fully realize the expected benefits of the Granite Creek Acquisition. There is a risk that some or all of the expected benefits will fail to materialize, or may not occur within the time periods anticipated by management of the Company. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

The reader should also refer the risk factors set out in the Company's Annual Information Form which can be found under the Company's profile at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements included in, or incorporated by reference in, this MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In compliance with the Canadian Securities Administrators' Regulation, we have filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure Controls and Procedures

The CEO and the CFO have designed disclosure controls and procedures or have caused them to be designed under their supervision, in order to provide reasonable assurance that (i) material information relating to the Company has been made known to them; and (ii) information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation. There were no changes made to i-80 Gold's disclosure controls and procedures in Q4 2021.

The Company's CEO and CFO have each evaluated the effectiveness of the Corporation's disclosure controls and procedures as at December 31, 2021 and have concluded that these controls and procedures are effective.

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal controls over financial reporting ("ICFR") or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (COSO 2013). Based on this evaluation, management concluded that the Company's internal control over financial reporting was designed and operating effectively as at December 31, 2021 to provide reasonable assurance the financial information is recorded, processed, summarized and reported in a timely manner. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation. There have been no significant changes in our internal controls during the three and twelve months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, i-80 Gold's internal control over financial reporting.

The Company's CEO and CFO have each evaluated the effectiveness of the Corporation's ICFR as at December 31, 2021 and have concluded that these controls and procedures are effective.

Limitations of Controls and Procedures

Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design



will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. In accordance with NI 52-109, a company may limit its certification of design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of a business that it acquired not more than 365 days before the end of the relevant financial period (i.e. not more than 365 days before December 31, 2021). The Company's management, with the participation of the CEO and the CFO, has limited the scope of the design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures at the Ruby Hill Mine, which was acquired on October 15, 2021.

TECHNICAL INFORMATION

Scientific and technical information contained in this MD&A has been reviewed and approved by Tim George, PE, who is a Qualified Person, as the term is defined in NI 43-101. For more detailed information regarding the Company's material mineral properties and technical information related thereto, including a complete list of current technical reports applicable to such properties, please refer to the Company's Annual Information Form dated March 28, 2022, filed at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward looking statements. By their nature, forward looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the potential impact of the global COVID-19 pandemic, general economic and industry conditions, volatility of commodity prices, title risks and uncertainties, currency fluctuations, construction and operational risks, licensing and permit requirements, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, imprecision of resource, reserve or production estimates, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward looking statements. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that the Company will derive there from. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

ADDITIONAL INFORMATION

Additional information relating to i-80 can be found on i-80's web-site at www.i80gold.com, and on SEDAR at www.sedar.com.