Management's Discussion and Analysis of

FIORE GOLD LTD.

For the Three and Six Months Ended March 31, 2021

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

This Management's Discussion & Analysis ("MD&A") of Fiore Gold Ltd. (the "Company", "we", "our", "us" or "Fiore Gold") has been prepared to enable a reader to assess material changes in financial condition and results of operations as at and for the three and six months ended March 31, 2021 ("Q2 2021"). The MD&A should be read in conjunction with the management's discussion and analysis and the audited consolidated financial statements for the years ended September 30, 2020 and 2019 (the "Consolidated Financial Statements"), prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and the unaudited condensed interim consolidated financial statements ("interim financial statements") of the Company for the three and six months ended March 31, 2021 and 2020 (prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34")). The information provided herein supplements, but does not form part of, the interim financial statements and includes financial and operational information from the Company's subsidiaries. Additional corporate information, including our most recent Annual Information Form ("AIF") and other continuous disclosure documents can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

This discussion contains forward-looking statements reflecting our current expectations, whose actual outcomes involve risks and uncertainties. Actual results and the timing of events may differ materially from those stated in or implied by these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risk Factors," and "Cautionary Statement Regarding Forward-Looking Statements" herein and within the MD&A for the years ended September 30, 2020 and 2019. All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

The report is dated as of May 11, 2021. All references to the Company include its subsidiaries unless the context requires otherwise.

OVERVIEW

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

We realized a 19% increase in gold production to 10,915 ounces during Q2 2021 compared to Q1 2021, which translated into $19.28 million of revenue and mine operating income of $7.10 million, or a gross profit margin of 37%. Revenue was slightly higher than Q2 20, an increase of 2%, however lower cash costs and cost of sales per ounce led to a 56% increase in net income, up to $4.50 million. Consolidated operating cash flow remained strong at $3.63 million of cash provided, while we continued to invest heavily back into our Pan Mine and Gold Rock project.

As guided, we are working through the spend of approximately $20.0 million during FY2021 on non-sustaining capital, including the phase III heap leach pad at the Pan Mine, resource expansion drilling programs at the Pan Mine and capital expenditures in support of a Feasibility Study ("FS") at Gold Rock. Accordingly, we have incurred $12.02 million of investing cash outflows thus far through Q1 and Q2 of 2021, which included $7.78 million of Pan Mine capital, primarily for the phase III heap leach pad, and $3.86 million for Gold Rock evaluation expenditures.

We continue to progress with the Gold Rock program commenced during fiscal Q4 2020 of resource expansion, metallurgical, geotechnical and condemnation drilling to advance the FS through 2021. As of the date of this report, we have announced results of 113 holes representing 24,065 metres (78,955 feet) of reverse circulation drilling, as well as the first two of 20 HQ core holes. The results continue to demonstrate strong intervals of oxide mineralization both within and outside of the current resource pit shells, mineralization remains particularly open to the north and there are excellent opportunities to expand the current resource toward the FS.

At Pan, lime addition has been reinstated as a standard operating practice for pH control, in addition to cement to reduce the migration of fines within the leach pad, and this has served to bring the leach solution pH back towards optimal ranges for effective gold leaching. This positively impacted gold loaded to carbon, which is reflective of gold production, as it trended upward through the quarter with monthly figures of 3,294 ounces in January, 3,483 ounces in February and 4,155 ounces in March.

We continue to take precautions to reduce the risk to our employees from the COVID-19 pandemic. Our corporate offices remain closed with employees working from home. At our Nevada operations, enhanced safety measures continue to include curtailments of non-essential work-related travel, reduced visitors and non-essential consultants and contractors, isolating delivery drivers, reducing personal contact between onsite employees and contractors, senior staff occasionally working from home on a rotational basis considering both business and health needs and additional cleaning and sterilization measures. The Company also instituted a temporary increase in paid medical leave to ensure that employees can remain home if they or their family members are unwell. While there have been a few positive cases of COVID-19 at the Pan Mine, effects of this have not had a meaningful impact on production. Through contact tracing and enhanced safety measures, we believe we have minimized cases and impacts of COVID-19. Miners in Nevada became eligible to obtain COVID-19 vaccinations in March 2021 and we are encouraging our employees to get vaccinated. Vaccinations are also available to all our corporate employees. While we expect that precautions and risks related to COVID-19 will persist into the future, the availability of vaccinations to a work force increases our ability to mitigate against the risks presented by COVID-19.

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

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

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

Q2 2021 CONSOLIDATED FINANCIAL, OPERATIONAL AND ORGANIC GROWTH HIGHLIGHTS

Financial Highlights

- Recorded quarterly revenues of $19.28 million with mine operating income of $7.10 million
- Generated Pan operating cash flow[1] of $5.20 million and consolidated operating cash flow of $3.63 million
- Closing cash balance of $17.52 million at March 31, 2021, a reduction in cash from December 31, 2020 as we continue to invest in the expansion of the Pan heap leach pad to accommodate added mine life, and in on-going drilling and Feasibility Study activities to advance Gold Rock
- Pan stand-alone operating income[1] of $7.10 million and consolidated operating income of $5.19 million
- Net income of $4.50 million and adjusted net earnings[1] of $4.13 million
- Basic earnings per share of $0.05 and diluted earnings per share of $0.04

Operating Highlights

- Q2 gold production of 10,915 ounces, a 19% increase compared to Q1 2021 as heap leach pH levels improved during the quarter
- Gold sales of 10,884 ounces at an average realized price of $1,770 per ounce
- Mined ore production in Q2 of 12,351 tons per day ("tpd") with a stripping ratio of 1.6:1.0 and grade of 0.013 ounces/ton ("opt") or 0.45 grams per tonne ("g/t")
- 81,542 hours worked in Q2 with no lost time injuries and no reportable environmental incidents
- One-million hours worked at the Pan Mine without a lost time injury achieved
- Q2 2021 cash costs per ounce sold[1] of $979

- Q2 Pan Mine AISC[1] per ounce sold of $1,020 and Q2 2021 Fiore consolidated AISC[1] of $1,186

Organic Growth Highlights

- Following the completion of the Gold Rock Preliminary Economic Assessment, we are conducting a program of resource expansion, metallurgical, geotechnical and condemnation drilling in support of a Gold Rock Feasibility Study. Drill results announced during the quarter were headlined by 45.7 metres of 2.01 g/t gold (150 ft at 0.059 opt) and 42.7 metres of 1.17 g/t gold (140 ft at 0.034 opt).
- Gold Rock drill results from an additional 17 holes were issued at the end of March 2021 showing several holes with wide, higher-grade gold intercepts have defined mineralization at least 400 metres beyond the northern end of the currently defined mineralization and a new discovery of oxide gold mineralization at Jasperoid Creek approximately 1.4 kilometers north of the current pits.

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

REVIEW OF OPERATING RESULTS

		Three Months Ended March 31,		Six Months Ended March 31,	
Operating Results		**2021**	**2020**	**2021**	**2020**
Ore Mined	(t)	1,111,622	1,290,130	2,453,567	2,696,786
Waste Mined	(t)	1,785,296	2,262,897	3,095,877	4,753,309
Total Mined	(t)	2,896,918	3,553,027	5,549,444	7,450,095
Gold Ounces Mined	(oz)	14,571	20,635	33,888	41,284
Ore Grade Mined	(oz/t)	0.013	0.016	0.014	0.015
Ore Grade Mined	(g/t)	0.449	0.548	0.474	0.525
Strip Ratio	waste/ore	1.6	1.8	1.3	1.8
Gold Ounces Produced	(oz)	10,915	12,085	20,120	20,834
Gold Ounces Sold (Payable)	(oz)	10,884	12,026	20,095	21,119
Average Realized Price[1]	$/oz	1,770	1,576	1,815	1,517
Total Cash Costs per Ounce[1]	$/oz	979	983	953	1,001
Cost of Sales per Ounce[1]	$/oz	1,119	1,135	1,101	1,153
Pan Mine AISC per Ounce[1]	$/oz	1,020	1,039	1,016	1,072
Fiore Consolidated AISC per Ounce[1]	$/oz	1,186	1,135	1,198	1,185
Mine, Processing and Site G&A Costs	$ millions	12.43	10.81	23.48	23.05
Royalties and Treatment/Refining Costs	$ millions	0.82	0.80	1.54	1.35
Inventory Movements	$ millions	(2.54)	0.22	(5.76)	(3.20)
Total Production Costs	$ millions	10.71	11.83	19.26	21.20
Sustaining Capital Expenditures[1]	$ millions	0.30	0.03	0.97	0.15

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

Three Months Ended March 31, 2021

Mining

- During the second quarter of 2021, we mined 1,111,622 ore tons, with 486,253 ore tons from the South pit and South satellite pits and 625,369 ore tons from the North pit and North satellite pits. During the second quarter our ore mining rate was 12,351 tpd, below our planned 14,000 tpd as our contract miner worked through training new personnel and a concentration on waste mining. During the comparable period of FY2020, we mined 1,290,130 ore tons at a mining rate of 14,177 ore tpd.

- Pan mined 1,785,296 waste tons leading to a strip ratio during the second quarter of 2021 of 1.6:1.0 waste tons to ore tons mined. The strip ratio was lower than planned, but above Q1 2021, as the mining contractor worked through new personnel training. During the comparable period of FY2020, 2,262,897 waste tons were mined at a strip ratio of 1.8:1.0.

- Ore grade mined during the second quarter of 2021 was 0.013 gold ounces per ore ton, in line with the mine plan, compared to 0.016 during the same period of FY2020. Grade variance relates to pit sequencing.

Processing

- We mined 1,111,622 ore tons, and 1,156,275 ore tons were placed on the leach pad during the second quarter of 2021. We placed 1,154,625 ore tons on the leach pad as crushed ore and the remaining 1,650 ore tons were placed directly on the leach pad and leached as run-of-mine. With an average ore grade was 0.013 gold ounces per ore ton, we mined 14,571 contained ounces and placed 15,305 contained ounces on the heap leach pad during the quarter. We currently estimate crushed ore recoveries to be 60% on ore from the north pit and north satellite pits and 80% on ore from the south pit and south satellite pits and run-of-mine gold recoveries to be 50% on ore from the north pit and north satellite pits and 75% on ore from the south pit and south satellite pits. Total recoverable ounces mined was 9,903 with 10,403 recoverable ounces placed.

- Total ore tons placed decreased by 113,811 from the second quarter of 2020 due to 178,509 less ore tons mined during the period. However, during Q2 2021, we placed an additional 186,614 crushed tons compared to the prior year period, reflecting our commitment to the placement of crushed tons over run of mine tons to increase overall recoveries from the leach pad.

- We produced 10,915 gold ounces and sold 10,884 gold ounces during the second quarter of 2021. During the comparable period of FY2020, we produced 12,085 gold ounces and sold 12,026 gold ounces.

Costs – Operations

- Total production costs were $12.43 million for the second quarter of 2021, or $4.29 per ton mined and $11.18 per ore ton mined. The second quarter of 2020 had total production costs of $10.81 million, or $3.04 per ton mined and $8.38 per ore ton mined. The 15% increase in gross costs was tied to the additional reagent usage to address the leach pad pH issue, higher labor rates and larger than normal employee turnover experienced by our mining contractor leading to lower mining efficiency and higher per tons rates during the quarter.

- Total mining costs were $7.56 million for the second quarter of 2021, or $2.61 per ton mined and $6.80 per ore ton mined. During the second quarter of 2020 production mining costs were $7.16 million, or $2.01 per ton mined and $5.55 per ore ton mined. The $0.40 million increase in mining costs from the prior year comparable period is due to increased labor rates and larger than normal employee turnover experienced by our mining contractor leading to lower mining efficiency as they work through training replacement personnel.

- Total processing costs were $3.78 million for the second quarter of 2021, or $1.31 per ton mined and $3.40 per ore ton mined. During the second quarter of 2020 processing costs were $2.81 million, or $0.79 per ton mined and $2.18 per ore ton mined. The increase in costs is due to the additional usage of additional chemical and reagents to bring, and maintain, leach solution pH and alkalinity into balance to optimize gold recovery. As the crusher throughput improved period over period, overall rehandle costs to move ore from the crushed stockpile to the leach pad also increased.

- Total mine site administration costs were $1.09 million for the second quarter of 2021, or $0.38 per ton mined and $0.98 per ore ton mined. During the second quarter of 2020 production mine site administration costs were $0.84 million, or $0.24 per ton mined and $0.65 per ore ton mined. Costs are slightly higher due to increased insurance costs and share based compensation, while the decreased waste tons mined drives the cost per ton mined higher.

- Cash cost per ounce sold[1] for Q2 2021 was $979 per ounce, a $4 improvement compared to Q2 2020 at $983 per ounce. As cash cost per ounce sold is a cumulatively effected number, the decrease is reflective of overall slightly lower costs per ounce since Q2 2020 through Q2 2021.

- For the three months ended March 31, 2021, Pan Mine AISC[1] per ounce sold was $1,020 and Fiore Consolidated AISC[1] per ounce sold was $1,186. As cash costs per ounce sold are relatively flat, the decrease in Pan Mine AISC was driven by a decrease in depreciation of the ARO asset, offset slightly by higher sustaining capital expenditures. Refer to the "Non-IFRS Financial Measures" table at the end of this MD&A for additional information and a reconciliation to operating costs from the Company's financial statements.

Six Months Ended March 31, 2021

Mining

- During the six months ended March 31, 2021, we mined 2,453,567 ore tons, with 1,040,143 ore tons from the South pit and South satellite pits and 1,413,424 ore tons from the North pit and North satellite pits. Our ore mining rate of 13,481 tpd, was below our planned 14,000 tpd. During the comparable period of 2020, we mined 2,696,786 ore tons at a mining rate of 14,737 ore tpd.

- Pan mined 3,095,877 waste tons leading to a strip ratio during the first two quarters of 2021 of 1.3:1.0 waste tons to ore tons mined. During the comparable period of 2020, 4,753,309 waste tons were mined at a strip ratio of 1.8:1.0.

- Ore grade mined during the six months ended March 31, 2021 was 0.014 gold ounces per ore ton, in line with the mine plan, compared to 0.015 during the same period of 2020.

Processing

- We mined 2,453,567 ore tons, and 2,451,620 ore tons were placed on the leach pad during the six months ended March 31, 2021. We placed 2,342,070 ore tons on the leach pad as crushed ore and the remaining 109,550 were placed and leached as run-of-mine directly on the leach pad. The average ore grade was 0.014 gold ounces per ore ton, resulting in 33,888 contained ounces mined and 33,885 ounces placed. We currently estimate crushed ore recoveries to be 60% on ore from the north pit and north satellite pits and 80% on ore from the south pit and south satellite pits and run-of-mine gold recoveries to be 50% on ore from the north pit and north satellite pits and 75% on ore from the south pit and south satellite pits. Total recoverable ounces mined was 22,632 and 22,647 recoverable ounces placed.

- We produced 20,120 gold ounces and sold 20,095 gold ounces during the first two quarters of 2021. During the comparable period of 2020, we produced 20,834 gold ounces and sold 21,119 gold ounces. Gold production has been impacted, primarily during Q1, by pH and alkalinity levels on the heap leach pad not being at optimal levels for gold recovery.

Costs – Operations

- Total production costs were $23.48 million for the six months ended March 31, 2021, or $4.23 per ton mined and $9.57 per ore ton mined. The six months ended March 31, 2020 had total production costs of $23.05 million, or $3.09 per ton mined and $8.55 per ore ton mined. The 2% increase in costs is tied to additional reagent usage within processing costs and increased labor rates for our contract miner, offset by a 26% decrease in total tons mined.

- Total mining costs were $13.88 million for the first two quarters of 2021, or $2.50 per ton mined and $5.66 per ore ton mined. During the first two quarters of 2020 production mining costs were $15.29 million, or $2.05 per ton mined and $5.67 per ore ton mined. The $1.41 million decrease in mining costs over the prior year comparable period is due to a 26% decrease in total tons mined at a lower strip ratio of 1.3:1.0 compared to 1.8:1.0. The lower than planned strip ratio has been a factor of higher than normal employee turnover with our contract miner.

- Total processing costs were $7.40 million for the first two quarters of 2021, or $1.33 per ton mined and $3.02 per ore ton mined. During the first two quarters of 2020 processing costs were $5.73 million, or $0.77 per ton mined and $2.12 per ore ton mined. The increase in costs is tied to additional usage of chemical and reagents to bring, and maintain, the leach solution pH and alkalinity into balance to optimize gold recovery. As the crusher throughput improved year over year, the overall rehandle costs to move ore from the crushed stockpile to the leach pad increased.

- Total mine site administration costs were $2.20 million for the first two quarters of 2021, or $0.40 per ton mined and $0.90 per ore ton mined. During the first two quarters of 2020 production mine site administration costs were $2.03 million, or $0.27 per ton mined and $0.75 per ore ton mined. Costs are slightly higher due to increased insurance costs and share based compensation, while the decreased waste tons mined drives the cost per ton mined higher.

- For the six months ended March 31, 2021, Pan Mine AISC[1] per ounce sold was $1,019 and Fiore Consolidated AISC[1] per ounce sold was $1,202 compared to Pan Mine AISC[1] per ounce sold of $1,072 and Fiore Consolidated AISC[1] per ounce sold of $1,185 for the six months ended March 31, 2020. A decrease in Pan Mine cash costs[1] and decrease in depreciation of ARO assets are the primary factors in the lower Pan Mine and Fiore Consolidated AISC[1]. Cash costs decreased 5% to $953 per ounce sold during YTD Q2 2021 driven by a 35% decrease in waste tons mined, offset by increased processing costs from additional chemical and reagent costs. We incurred $0.97 million of sustaining capital expenditures compared to $0.15 million during YTD Q2 of 2020.

[1] This is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures at the end of this MD&A for a reconciliation to conventional measures prepared in accordance with IFRS.

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended March 31,		Six Months Ended March 31,	
($000's)	**2021**	**2020**	**2021**	**2020**
Revenue	$ 19,279	$ 18,956	$ 36,488	$ 32,030
Production Costs	(9,931)	(11,060)	(17,787)	(19,911)
Royalties	(784)	(765)	(1,474)	(1,284)
Depreciation and Depletion	(1,468)	(1,826)	(2,868)	(3,165)
Total Operating Costs	$ (12,183)	$ (13,651)	$ (22,129)	$ (24,360)
Mine Operating Income	7,096	5,305	14,359	7,670
Other Operating Expenses				
Project Exploration	(103)	(636)	(208)	(1,339)
Consulting Fees	(126)	(35)	(294)	(73)
Depreciation	(43)	(52)	(85)	(100)
Legal, Audit and Accounting	(56)	(87)	(200)	(165)
Office and Administrative	(286)	(162)	(547)	(332)
Salaries and Benefits	(972)	(724)	(1,945)	(1,463)
Share Based Compensation	(229)	(25)	(383)	(106)
Travel and Other	(96)	(68)	(197)	(128)
Total Other Operating Expenses	$ (1,911)	$ (1,789)	$ (3,859)	$ (3,706)
Other Income (Expense)				
Accretion Expense	(102)	(179)	(196)	(350)
Gain on Change of Environmental Closure Assets	367	-	367	-
Unrealized Gain on Derivatives, net	-	39	-	438
Loss on Sale of Mineral Property	-	(31)	-	(31)
Other Income (Expense)	(32)	(52)	(74)	(87)
Total	$ 233	$ (223)	$ 97	$ (30)
Income / (Loss) Before Taxes	5,418	3,293	10,597	3,934
Income and Mining Tax Expense	(922)	(404)	(1,605)	(456)
Net Income / (Loss)	$ 4,496	$ 2,889	$ 8,992	$ 3,478

($000's)	Three Months Ended March 31,		Six Months Ended March 31,	
Production Costs	**2021**	**2020**	**2021**	**2020**
Mining, Processing and Site G&A Costs	$ 12,381	$ 10,803	23,383	23,001
Share Based Compensation in Production Costs	50	4	94	47
Selling Expenses	37	31	65	63
Inventory Movements	(2,537)	222	(5,755)	(3,200)
Total Production Costs	$ 9,931	$ 11,060	$ 17,787	$ 19,911

($000's)	Three Months Ended March 31,		Six Months Ended March 31,	
Depreciation and Depletion Expenses	**2021**	**2020**	**2021**	**2020**
Depreciation and Depletion	$ 959	$ 2,016	2,298	$ 4,155
Inventory Movements - Non-Cash	509	(190)	570	(990)
Total Depreciation and Depletion Expenses	$ 1,468	$ 1,826	$ 2,868	$ 3,165

Review of financial results for the three months ended March 31, 2021 and 2020 (Q2 2021 vs. Q2 2020)

Revenue

During the three months ended March 31, 2021 revenue was $19.28 million from the sale of 10,884 gold ounces at an average realized gold price of $1,770 per ounce. During the three months ended March 31, 2020 we sold 12,026 gold ounces at an average price of $1,576 per ounce for revenue of $18.96 million. The $0.32 million increase in revenue is attributed to the higher average realized price per ounce.

	Three Months Ended March 31,		
Spot Price per Ounce of Gold	**2021**	**2020**	**% Change**
High	$ 1,943	$ 1,684	15%
Low	1,684	1,474	14%
Average	1,794	1,583	13%
Average Realized Price[1]	1,770	1,576	12%

Production Costs

Production costs, which comprise the full cost of mine operations, less royalties, for Q2 2021 were $9.93 million, a $1.13 million decrease from Q2 2020. Production costs during the period were comprised of mining, processing, and site general & administrative costs of $12.38 million, with $2.54 million of those costs deferred into inventory during the period. Stock based compensation allocated to production costs and selling expenses amounted to an additional $0.09 million of production costs during the period. For Q2 2020 total production costs were $11.06 million, comprised of $10.80 million of mining, processing, and site G&A costs with $0.22 million of additional costs through inventory movements. Stock based compensation allocated to production costs and selling expenses of $0.04 million constitute the remainder of the production costs for Q2 2020.

Total Production costs were $1.13 million lower when compared to Q2 2020 due to lower ounces sold and a slight decrease in cash costs per ounce compared to the prior year.

See Review of Operating Results section for additional information.

Royalties

Production royalties are calculated on a sliding scale between 2.5% and 4% based upon gross ounces produced at the average daily London afternoon fixing gold price during the quarter. During Q2 2021 we recognized $0.78 million of production royalty expense from the production of 10,915 gross gold ounces at an average daily London afternoon fixing gold price of $1,794. During Q2 2020 we produced 12,085 gross gold ounces at an average gold price of $1,583, resulting in $0.77 million of royalty expense.

Depreciation and Depletion

Depreciation and depletion expense for Q2 2021 was $1.47 million compared to $1.83 million in Q2 2020. The decrease is due to an overall decrease of the depreciable asset base, primarily the Pan Mine asset retirement obligation.

Exploration Expenditures

For Q2 2021 exploration expenses were $0.10 million, $0.53 million lower than the prior year comparative period. The costs were primarily for annual claims filing fees for our exploration properties.

The Q2 2020 costs were primarily for the closeout of the Gold Rock drilling program, PEA and metallurgical work at Gold Rock, along with development and permitting efforts at Gold Rock and annual claims filing fees for our exploration properties.

Corporate General & Administrative

General and administrative expense for Q2 2021 was $1.81 million, $0.66 million higher compared to the prior year period of $1.15 million. The increase in costs for the period was driven by an increase in insurance costs, increased salary and benefit expenses and $0.20 million of higher stock-based compensation expense tied to the vesting of restricted stock units granted during fiscal year 2021.

Unrealized Gain on Derivatives, net

The unrealized gain on derivatives during Q2 2020 of $0.04 million was comprised of changes in the fair value of our warrant derivatives. No gain or loss recognized during Q2 2021. On September 28, 2020, the remaining outstanding balance of 21,300,970 warrants expired unexercised with the outstanding liability extinguished and recognized as a gain during the period.

Other Expense

For the three months ended March 31, 2021, we recognized net other income of $0.23 million compared to $0.26 million of net other expense during the prior year comparable period. We recognized a decrease in accretion expense of the asset retirement obligation for the Pan Mine of $0.08 million along with a gain during the quarter on the change of environmental closure assets from the Pan Mine of $0.37 million.

Income and Mining Tax Expense

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

For the three months ended March 31, 2021, the Company recorded income and mining tax expense of $0.92 million, comprised of $0.56 million of deferred federal income tax expense and $0.36 million of mining tax expense. For the three months ended March 31, 2020, the Company recorded income and mining tax expense of $0.40 million, comprised solely of current mining taxes. The increase in federal income tax expense is due to the reduction of deferred tax assets available to offset taxable income.

Review of financial results for the six months ended March 31, 2021 and 2020 (YTD Q2 2021 vs. YTD Q2 2020)

Revenue

During the six months ended March 31, 2021 revenue was $36.49 million from the sale of 20,095 gold ounces at an average realized gold price of $1,815 per ounce. During the six months ended March 31, 2020 we sold 21,119 gold ounces at an average price of $1,517 per ounce for revenue of $32.03 million. The $4.46 million increase in revenue was primarily due to the higher average realized price. The gold collar options served to reduce revenue by $0.42 million during the six months ended March 31, 2020, with the impact entirely in the first fiscal quarter.

	Six Months Ended March 31,		
Spot Price per Ounce of Gold	**2021**	**2020**	**% Change**
High	$ 1,943	$ 1,684	15%
Low	1,684	1,452	16%
Average	1,834	1,533	20%
Average Realized Price[1]	1,815	1,517	20%

Production Costs

Production costs, which comprise the full cost of mine operations, less royalties, for YTD Q2 2021 were $17.79 million, a $2.12 million decrease over YTD Q2 2020. Production costs during the period were comprised of mining, processing and site general & administrative costs of $23.38 million, offset by $5.76 million of costs deferred into inventory during the period. Stock based compensation allocated to production costs and selling expenses amounted to an additional $0.16 million of production costs during the period. The increase in total production costs in YTD Q2 2021 has primarily been due to additional chemical and reagent costs to correct pH and alkalinity levels on the leach pad along with slightly elevated mining costs due increased labor rates and higher than normal employee turnover experienced by our contract miner.

For YTD Q2 2020 total production costs were $19.91 million, comprised of $23.00 million of mining, processing and site G&A costs offset by $3.20 million of costs deferred into inventory during the period. Stock based compensation allocated to production costs and selling expenses of $0.11 million constitute the remainder of the production cost balance for YTD Q2 2020.

See Review of Operating Results section for additional information.

Royalties

Production royalties are calculated on a sliding scale between 2.5% and 4% based upon gross ounces produced at the average daily London afternoon fixing gold price during the quarter. During YTD Q2 2021 we recognized $1.47 million of production royalty expense from the production of 20,120 gross gold ounces at an average gold price of $1,815. During YTD Q2 2020 we produced 20,834 gross gold ounces, resulting in $1.28 million of royalty expense.

Depreciation and Depletion

Depreciation and depletion expense for YTD Q2 2021 was $2.87 million compared to $3.17 million in YTD Q2 2020. The decrease is due to an overall decrease of the depreciable asset base, primarily the Pan Mine asset retirement obligation.

Exploration Expenditures

For YTD Q2 2021 exploration expenses were $0.21 million, $1.13 million lower than the prior year comparative period. The costs are primarily for annual claims filing fees for our exploration properties.

The YTD Q2 2020 costs were primarily for the Gold Rock drilling program, PEA, and Metallurgical testing at Gold Rock, along with development and permitting efforts at Gold Rock and annual claims filing fees for our exploration properties.

Corporate General & Administrative

General and administrative expense for YTD Q2 2021 was $3.65 million, $1.28 million higher compared to the prior year period of $2.37 million. The increase in costs for the period was driven by an increase in insurance costs, increased salary and benefit expenses and $0.28 million of higher stock-based compensation expense tied to the vesting of restricted stock units granted during fiscal year 2021.

Unrealized Gain on Derivatives, net

The unrealized gain on derivatives during YTD Q2 2020 is comprised of changes in the fair value of gold option collars and warrant derivatives. The change in fair value of our gold option collars was a gain of $0.38 million. We had outstanding 3,200 short-term zero cost gold collars as of October 1, 2019. The 3,200 gold collars were for ounce deliveries from October 1, 2019 through November 25, 2019 with a floor of $1,300 per ounce and a ceiling of $1,350 per ounce. All call options within the collars were exercised by the counterparty during the three months ending December 31, 2019, with no outstanding gold option collars as of March 31, 2020.

Change in the fair value of warrant derivatives for YTD Q2 2020 was a gain of $0.06 million. On September 28, 2020, the remaining outstanding balance of 21,300,970 warrants expired unexercised with the outstanding liability extinguished and recognized as a gain during the period.

No gain or loss was recognized during YTD Q2 2021.

Other Expense

For the six months ended March 31, 2021, we recognized net other income of $0.10 million compared to net other expense of $0.47 million during the prior year comparable period. We recognized a decrease in accretion expense of the asset retirement obligation for the Pan Mine of $0.15 million along with a gain during the quarter on the change of environmental closure assets from the Pan Mine of $0.37 million. During the prior year period, we recognized a $0.03 million loss on the sale of our Rio Loa project in Chile.

Income and Mining Tax Expense

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

For the six months ended March 31, 2021, the Company recorded income and mining tax expense of $1.61 million, comprised of $0.96 million of deferred federal income tax expense and $0.65 million of mining tax expense. For the six months ended March 31, 2020, the Company recorded income and mining tax expense of $0.46 million, comprised solely of current mining taxes. Increase in YTD Q2 income and mining tax expense is due to higher profits and reduction of deferred tax assets available to offset taxable income.

SUMMARY OF QUARTERLY HIGHLIGHTS

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

	FY 2021		FY 2020				FY 2019	
($000's, except per share and ounce data)	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**	**Q4 2019**	**Q3 2019**
Gold Ounces Produced	10,915	9,204	12,432	12,764	12,085	8,750	9,282	11,685
Gold Ounces Sold (payable)	10,884	9,210	12,455	12,761	12,026	9,093	9,009	11,504
Average Realized Gold Price ($/oz)	$ 1,770	$ 1,868	$ 1,920	$ 1,720	$ 1,576	$ 1,437	$ 1,392	$ 1,318
Revenues	$ 19,279	$ 17,209	$ 23,924	$ 21,959	$ 18,956	$ 13,074	$ 12,549	$ 15,162
Total Operating Costs	$ (14,094)	$ (11,894)	$ (14,843)	$ (15,451)	$ (15,440)	$ (12,625)	$ (13,125)	$ (14,188)
Income (Loss) from Operations	$ 5,185	$ 5,315	$ 9,081	$ 6,508	$ 3,516	$ 449	$ (576)	$ 974
Net Income (Loss)	$ 4,496	$ 4,496	$ 9,343	$ 5,136	$ 2,889	$ 589	$ 127	$ (463)
Adjusted Net Earnings[1]	$ 4,129	$ 4,492	$ 8,709	$ 5,712	$ 2,890	$ 189	$ 342	$ 355
Income (Loss) per Common Share								
Basic	$ 0.05	$ 0.05	$ 0.10	$ 0.05	$ 0.03	$ 0.01	$ 0.00	$ (0.00)
Diluted	$ 0.04	$ 0.04	$ 0.09	$ 0.05	$ 0.03	$ 0.01	$ 0.00	$ (0.00)
Weighted Average Shares Outstanding								
Basic	99,311	98,821	98,289	98,047	97,988	97,819	97,733	97,716
Diluted	105,028	105,496	105,321	101,648	101,141	100,984	100,870	97,716
Operating Activities Net Cash Flow	$ 3,640	$ 3,026	$ 9,883	$ 10,457	$ 3,879	$ 88	$ (1,756)	$ 2,444
Pan Mine Operating Activities Net Cash Flow[1]	$ 5,200	$ 5,646	$ 11,412	$ 11,793	$ 5,959	$ 2,516	$ 633	$ 3,120
Pan Mine AISC per Ounce[1]	$ 1,020	$ 1,019	$ 965	$ 1,010	$ 1,039	$ 1,115	$ 1,093	$ 985
Fiore Consolidated AISC per Ounce[1]	$ 1,186	$ 1,219	$ 1,106	$ 1,128	$ 1,135	$ 1,248	$ 1,231	$ 1,120
Average Daily Mining Rate (ore tons)	12,351	14,586	15,489	14,877	14,177	15,290	13,156	14,114

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

The second quarter of 2021 saw a 19% increase in gold production as the leach pad recovered from the pH and alkalinity balance issues which hampered gold production during the first quarter. The average realized gold price was slightly lower than Q1, falling to $1,770 per ounce, amounting to $19.28 million of revenue. With cash costs of $979 per ounce and cost of sales per ounce of $1,119, we generated a gross profit margin of $7.10 million, or 37%. Our daily ore mining rate of 12,351 tons and strip ratio of 1.6:1.0 were hurt by increased labor rates and higher than average employee turnover experienced by our contract miner. While investing cash flow activities slowed at Gold Rock compared to Q1, we continued work on the Pan Mine heap leach pad, which is nearing completion and should be ready for ore stacking during Q3.

The first quarter of 2021 saw a dip in gold production due to pH and alkalinity balance issues experienced on the heap leach pad at the Pan Mine, which operations has been in the process of correcting through the additional usage of chemicals and reagents. With gold production of 9,204 ounces, 454 ounces more than Q1 of 2020, and an average realized gold price of $1,868, we recorded revenue of $17.21 million and a 42% gross profit margin. Cash costs per ounce of $923 and cost of sales per ounce of $1,080 left room for a substantial profit margin. The average daily ore ton mining rate of 14,586 and ore grade of 0.014 ounces per ton lead to 19,317 contained ounces mined. We continued to invest heavily in the growth of the Company while spending $3.80 million on capital additions, including the Pan Mine heap leach pad, and $2.98 million on drilling programs and evaluation expenditures in support of a Feasibility Study on our Gold Rock project.

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

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

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

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

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

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

OVERVIEW OF PROPERTIES

Pan

Description of the Project

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

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

Project Development

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

With the start-up of the crushing circuit in fiscal 2020, we changed our operating practices to switch from lime to cement addition for pH control, as cement brings the added benefit of reducing the migration of fines within the leach pad. However, after having time to sufficiently observe leaching under this practice, we determined that cement addition alone appears insufficient to maintain the proper pH for optimal gold leaching. Lime addition was reinstated during the first quarter of 2021 as a standard operating practice, which has had the effect of bringing the leach solution pH back towards optimal ranges for effective gold leaching.

Construction of the phase III leach pad expansion is currently underway. The project is expected to be complete and ready for ore stacking in fiscal Q3 which should enhance gold recovery in Q4.

During fiscal year 2020 we completed our third development drilling program of approximately 21,741-meters (71,330 feet). The drilling was aimed at further increasing the reserve base by targeting conversion of Inferred resources that exist within and adjacent to the existing reserve pits. The results from this drilling program have been incorporated into an updated reserve, resource and life of mine plan and published in an updated technical report on January 22, 2021, entitled NI 43-101 Updated Technical Report on Resources and Reserves Pan Gold Project, White Pine County, Nevada" (the "Pan Technical Report"). The Pan Technical Report is dated January 22, 2021 with an effective date of June 30, 2020, was prepared by SRK Consulting (U.S.) Inc. ("SRK"), APEX Geoscience Ltd., and Pro Solv Consulting, LLC. As described in greater detail in the Pan Technical Report, the updated life of mine plan based on the updated reserve estimate extends the mine life by two years into 2025 at a mine rate of 14,000 ore tons per day, with a strip ratio of 1.7:1.0.

The updated reserve and resource estimates continue to support our strategy of replacing ounces at the Pan Mine by methodically and prudently investing internal cash flow to extend the mine life. At Fiore Gold's inception, the Pan Mine Proven and Probable mineral reserves and Measured and Indicated resources (effective February 10, and March 16, 2017 respectively) were 318,000 ounces and 430,000 ounces, respectively. Despite approximately three years of mining depletion, the updated 2020 Proven and Probable reserves and Measured and Indicated resources are 290,500 ounces (91% of original reserve) and 427,400 ounces (99% of original resource), respectively. The reserve and resource replacement has been achieved while spending approximately $1.5 million on exploration annually over the past three years.

In light of the COVID-19 pandemic, we have taken a number of precautions to reduce the risk to our Pan Mine personnel including significantly curtailing work-related travel, other than travel to and from the mine-site, reduced visitors and non-essential consultants and contractors, isolating delivery drivers, reducing personal contact between onsite employees and contractors, senior staff working from home on a rotational basis and additional cleaning and sterilization measures. The Company also instituted a temporary increase in paid medical leave to ensure that employees can remain home if they or family members are unwell. While there have been a few positive cases of COVID-19 at the Pan Mine, effects of this have not had a meaningful impact on production. Through contact tracing and enhanced safety measures, we believe we have minimized cases and impacts of COVID-19.

Gold Rock

History of the Property

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

Description of the Project

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

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

Results of the PEA were announced on April 9, 2020, with the full PEA report filed on May 13, 2020, provides an updated Mineral Resource Estimate ("MRE") and a base case assessment of developing the Project as a satellite open pit operation that will share significant infrastructure and management with the adjacent Pan Mine. The PEA also identifies a considerable number of opportunities to enhance the project economics as Gold Rock advances to the Feasibility stage by drilling to increase the mineral resource, further metallurgical testing aimed at improving recoveries, and geotechnical drilling aimed at reducing the stripping ratio.

Gold Rock currently hosts an Indicated resource of 403,000 gold ounces (19.0 million tonnes at 0.66 g/t gold) and an Inferred resource of 84,300 gold ounces (2.7 million tonnes at 0.87 g/t gold) at a cut-off grade of 0.003 opt / 0.09 gpt gold that is based on a gold price of $1,500 per ounce. The mineral resource is centered around the former Easy Junior open pit mine and covers approximately 3.1 km of a 16.5 km-long trend of prospective geology, structure, and alteration with pervasive gold and pathfinder element anomalies in soil and rock samples. The resource at Gold Rock is of approximately 60% higher grade than the Pan Mine.

Permitting

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

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

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

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

Project Development

During Q4 of 2020 we commenced a program of resource expansion and metallurgical drilling in support of a Feasibility Study ("FS"). Overall, the drilling program is scheduled to consist of a mix of HQ and PQ diamond core holes, as well as RC and sonic holes. Total footage for this phase of the drilling program is expected to be approximately 60,000-meters (198,000 feet), with approximately 35,000-meters (115,000 feet) focused on resource expansion to add Measured and Indicated resources for inclusion in the FS.

We have announced results of 113 holes of RC drilling, which cover approximately 24,065 metres (78,955 feet). The results shown thus far show strong, consistent mineralization, which remains open particularly to the north, along with excellent opportunities to expand the resource envelope. We are pleased with the results from the Jasperoid Creek target approximately 1.4 kilometers north of Gold Rock. This is an area that has seen minimal drilling, and which highlights the prospectivity of the entire Gold Rock belt, a zone of gold and pathfinder element anomalies that extends for over 15 km north and south of Gold Rock.

Work on the FS is progressing well although assay turnaround times for drill samples have been significantly longer than normal due to the impacts of COVID-19 at the assay laboratories. These delays have impacted the original schedule for the RC drilling program and in turn the overall Feasibility Study, which is now expected to be completed in the first half of 2022. The delay in completing the FS is not expected to impact our proposed timeline for putting Gold Rock into production during 2024.

Highlights from the holes reported include:

HOLE	Length (m)	Grade (g/t)	Notes
GR20-009	48.8	2.17	-
GR20-021	16.8	1.12	-
GR20-027	41.2	0.97	-
GR20-029	19.8	1.10	-
GR20-036	33.5	0.89	-
GR20-038	19.8	1.38	-
GR20-049	32.0	1.41	-
GR20-051	18.3	1.16	-
GR20-065	18.3	1.19	-
GR20-068	38.1	1.11	-
GR20-069	2.0	1.14	-
GR20-069	18.3	0.84	-
GR20-076	8.0	1.33	-
GR20-079	2.0	1.61	-
GR20-081	2.0	1.78	-
GR20-091	30.5	0.79	South pit
GR20-097	4.0	0.46	-
GR20-102	18.3	0.96	Jasperoid Creek
GR20-110	42.7	1.17	North of north pit
GR21-001	18.3	0.99	North of north pit
GR21-002	45.7	2.01	North of north pit

Golden Eagle Property

History of the Property

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

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

Project Description

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

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

Project Development

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

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

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

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

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

HEALTH AND SAFETY

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

On January 26, 2021, in a combined effort between Fiore and Ledcor employees, we reached one million hours worked without a lost time incident. Our safety and environmental performance are a reflection of the Pan Mine team's commitment to responsibly and positively impacting the communities where we operate. They accomplished this despite the additional challenges of the COVID pandemic which reflects the focused dedication by each and every employee and contractor at the Pan Mine to reach this milestone.

FINANCIAL CONDITION REVIEW

Summary Balance Sheet

($000's)	March 31, 2021	September 30, 2020
Cash and Cash Equivalents	$ 17,515	$ 23,207
Inventories	31,417	26,256
Mineral Property, Plant and Equipment, net	17,934	11,412
Reclamation Deposits	6,520	6,510
Other Assets	10,780	8,385
Total Assets	**$ 84,166**	**$ 75,770**
Current Liabilities	$ 9,781	$ 10,743
Accrued Reclamation and Remediation	5,791	5,843
Other Long Term Liabilities	940	1,388
Total Liabilities	**$ 16,512**	**$ 17,974**
Total Equity	$ 67,654	$ 57,796
Total Liabilities and Equity	**$ 84,166**	**$ 75,770**

Balance Sheet Review

Cash and Cash Equivalents

Our cash balance as of March 31, 2021 was $17.52 million, a $5.69 million decrease from September 30, 2020 as we continue to invest in the expansion of the Pan heap leach pad to accommodate the two years of additional mine life, evaluation expenditures at Gold Rock in support of a Feasibility Study and developmental drilling at Pan. Operating activities provided $6.62 million of cash flow, while $12.02 million was used through investing activities and $0.29 million was used through financing activities. Refer to the Cash Flow Review for additional cash flow details.

Inventories

Stockpiles, leach pad and finished goods inventory were carried at a cost of $30.91 million as of March 31, 2021, compared to $25.72 million as of September 30, 2020. Stockpile and heap leach inventories consisted of 29,871 estimated recoverable ounces at an average carrying cost of $1,032 per ounce, up from an average carrying cost of $937 per ounce for the 27,360 estimated recoverable ounces as of September 30, 2020. Gold production was constrained by pH and alkalinity balance corrections on the leach pad, while 22,632 recoverable ounces were mined into inventory at a strip ratio of 1.6:1.0. These factors have led to the 2,511 recoverable ounce inventory increase since September 30, 2020. The lower ore grades mined coupled with higher mining and processing costs have resulted in an increased carrying cost per ounce.

Current Liabilities

The current liabilities balance of $9.78 million as of March 31, 2021 is a $0.96 million decrease from the September 30, 2020 balance of $10.74 million. The decrease was due to payment of short-term incentives to employees during Q1, reducing accrued payroll and related benefits by $1.19 million. We noted decreases within accounts payable and accrued liabilities of $0.60 million, while accrued income and mining taxes increased by $0.51 million for federal income tax and Nevada net proceeds mining tax expense.

Summary Cash Flow

(US$000's)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
Net Income (Loss)	$ 4,496	$ 2,889	$ 8,992	$ 3,478
Net Non-Cash Adjustments	2,323	2,148	4,799	3,507
Net Change in Non-Cash Working Capital	(3,190)	(1,158)	(7,176)	(3,018)
Net Operating Activities	3,629	3,879	6,615	3,967
Net Investing Activities	(5,231)	(884)	(12,019)	(1,427)
Net Financing Activities	(106)	(361)	(289)	(705)
Effect of Exchange Rates on Cash	(1)	(4)	1	(4)
Change in Cash and Cash Equivalents	(1,709)	2,630	(5,692)	1,831
Cash and Cash Equivalents, Beginning of Period	**19,224**	**6,481**	**23,207**	**7,280**
Cash and Cash Equivalents, End of Period	**$ 17,515**	**$ 9,111**	**$ 17,515**	**$ 9,111**

Cash Flow Review

Three months ended March 31, 2021 and 2020 (Q2 2021 vs. Q2 2020)

Operating Activities

Cash provided by operations for Q2 2021 was $3.63 million compared to $3.88 million for Q2 2020. The increase in operational cash flow was primarily driven by a $194 increase in the average realized gold price. Cash inflows were offset by increased processing costs from increased reagent and rehandle costs and increased mining costs. Pan Mine stand-alone cash flow provided by operations was $5.20 million, which was used to fund corporate general and administrative expenses of approximately $1.32 million (excluding non-cash depreciation, share-based compensation expense of $0.23 million and short-term incentive accruals) and exploration expense of $0.10 million.

Pan operating cash flows were, in part, generated from the sale of 10,884 gold ounces at an average realized price per ounce of $1,770. Cost of sales per ounce for Q2 2021 of $1,119 generated a 37% gross profit margin. Cash used through the deferral of costs into stockpile and heap leach pad inventories at Pan was $2.54 million. Working capital changes from the build-up of inventory will fluctuate as production and ore grade mined varies.

Investing Activities

Net cash used by investing activities during Q2 2020 was $5.23 million, compared to $0.88 million during the prior year period. During the current period cash was used for capital expenditures of $3.97 million, $0.88 million for Gold Rock evaluation expenditures, an additional $0.01 million contributed to the Pan reclamation deposit account and $0.38 million in Gold Rock advance royalties. During the comparable period of the prior year, cash used for capital expenditures was $0.54 million, an additional $0.02 million contributed to the Pan reclamation deposit account and $0.33 million in Gold Rock advance royalties.

Financing Activities

Net cash used in financing activities of $0.11 million during the three months ended March 31, 2021 was for principal and interest payments made on lease obligations, net of $0.24 million of proceeds from stock option exercises. During the three months ended March 31, 2020, cash used in financing activities was $0.88 million for principal and interest payments made on lease obligations.

Six months ended March 31, 2021 and 2020 (YTD Q2 2021 vs. YTD Q2 2020)

Operating Activities

Cash provided by operations for YTD Q2 2021 was $6.62 million compared to $3.97 million for YTD Q2 2020. The increase in operational cash flow is primarily driven by a 20% increase in the average realized gold price. Cash inflows were offset by increased processing costs from additional reagent usage, increased rehandle costs and increased mining costs. Pan Mine stand-alone cash flow provided by operations was $10.81 million, which was used to fund corporate general and administrative expenses of approximately $3.86 million (including $1.23 million of incentive payments and excluding non-cash depreciation, share-based compensation expense of $0.38 million and short-term incentive accruals) and exploration expense of $0.21 million.

Pan operating cash flows were, in part, generated from the sale of 20,095 gold ounces at an average realized price per ounce of $1,815. Cost of sales per ounce for YTD Q2 2021 of $1,101 generated a 39% gross profit margin. Cash used in the build-up of stockpile and heap leach pad inventories at Pan was $1.50 million. Working capital changes from the build-up of inventory will fluctuate as production and ore grade mined varies.

Investing Activities

Net cash used by investing activities during YTD Q2 2021 was $12.02 million, compared to $1.43 million during the prior year period. During the current period cash was used for capital expenditures of $7.78 million, $3.86 million for Gold Rock evaluation expenditures, an additional $0.01 million contributed to the Pan reclamation deposit account and $0.38 million in Gold Rock advance royalties. During the comparable period of the prior year, cash used for capital expenditures was $1.06 million, $0.33 million for Gold Rock advance royalties and an additional $0.73 million contributed to the Pan reclamation deposit account.

Financing Activities

Net cash used in financing activities of $0.29 million during the six months ended March 31, 2021 was for principal and interest payments made on lease obligations, net of $0.41 million of proceeds from stock option exercises. During the six months ended March 31, 2020, cash used in financing activities was $0.71 million for principal and interest payments made on lease obligations.

CAPITAL REQUIREMENTS AND SOURCES OF LIQUIDITY

Our primary sources of liquidity come from our cash balance of $17.52 million and operating cash flows generated from Pan operations. As of March 31, 2021, we had working capital of $40.65 million, consisting of current assets of $50.43 million and current liabilities of $9.78 million. We generated net income for the three and six month periods ended March 31, 2021 of $4.50 million and $8.99 million, respectively.

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

COMMITMENTS, CONTINGENCIES AND CAPITAL RESOURCES

($000's)	FY2021	FY2022	FY2023	FY2024	FY2025	Thereafter	Total
Lease Obligations	640	1,133	112	122	21	-	2,028
Interest on Lease Obligations	66	60	16	6	-	-	148
Mining Claim Assessments (i)	461	461	461	461	461	461	2,766
Project Commitments (ii)	-	170	170	170	170	785	1,465
Advance Royalties (ii)	-	707	707	707	707	3,205	6,033
Total Contractual Obligations	1,167	2,531	1,466	1,466	1,359	4,451	12,440

(i) We currently hold mining claims on which we have an annual assessment obligation. In order to maintain the claims in good standing, there is an annual fee of approximately $0.46 million. We are committed to this annual obligation for the indefinite future in order to maintain title to these claims.

(ii) *Pan* - On or before January 5th of each year, the Company must pay an advance minimum royalty of the greater of $0.06 million or the dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing price for the third calendar quarter preceding January 1 of the year in which the payment is due. Calculated at $1,909 per ounce above based on the third calendar quarter of 2020. The Company must incur a minimum of $0.07 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.

Gold Rock

- Annually the Company must pay an advance minimum royalty of the greater of $0.06 million or dollar equivalent of 108.05 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter proceeding January 1 of the year in which the payment is due. Calculated at $1,909 per ounce above based on the third calendar quarter of 2020. Osisko Mining (USA) Inc. has the right to receive these payments. The Company must incur a minimum of $0.07 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.
- *Anchor Minerals Inc.* - Annually the Company must pay an advanced minimum royalty of the greater of $0.03 million or the gold equivalent price which is determined by dividing $0.03 million over the closing price of gold on January 15, 2007 and multiplying the result by the closing price of gold on the last business day of December 2010. The Company must incur a minimum of $0.03 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.
- *Messers. Peart, Pankow and Jordan of Nevada* - The Company is required to make annual minimum royalty payments of $0.10 million for year 2019 and thereafter.

Pan Mine Sage Grouse Mitigation

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

CRITICAL ACCOUNTING ESTIMATES

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

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

An extensive discussion of critical accounting estimates is contained in Note 2 of our annual Consolidated Financial Statements for the year ended September 30, 2020.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies are disclosed in Note 2 of the audited consolidated financial statements for the year ended September 30, 2020.

RECLAMATION AND CLOSURE

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

The Company is currently required to have a reclamation bond for the Pan Mine of $15.98 million and for the Gold Rock project of $1.28 million, held with the BLM which is based upon the Nevada Standardized Reclamation Cost Estimator; the Division of Environmental Protection – Bureau of Mining Regulation and Reclamation approved standardized cost estimator. During FY2020, the Company, in collaboration with third-party consultants, developed an updated reclamation plan for use in calculating the fair value of our estimated liability for closure and removal costs at the Pan Mine. The updated reclamation plan took into consideration updates of equipment and labor unit cost basis, modifications to water and construction management, monitoring and heap closure. All updates were done under the assumption the Company would manage the reclamation project on a going concern basis.

The Company is required to post bonds with the BLM, or post adequate cash collateral, for reclamation of planned mineral exploration and development programs associated with the Company's mineral properties located in the United States. As of March 31, 2021, and September 30, 2020, the Company had surety contracts in place for reclamation bonds covering the Company's Nevada projects. The Company purchased a surety contract for the reclamation bond, which required collateral to be posted into an escrow account as security in the unlikely event of company abandonment to cover remediation obligations. A $6.52 million reclamation deposit is held within a collateral account, which has been recorded in reclamation deposits on the Consolidated Statements of Financial Position as of March 31, 2021. As of September 30, 2020, the reclamation deposit balance within the collateral account was $6.51 million.

Following a review by our surety of our operations, development plans, mineral resources and reserves and financial position during Q2 2021, we do not anticipate additional deposits in the collateral account will be required for our current surety bonds during the next 12 months and collateral requirements will be assessed annually. This will result in the reclamation bonds for the Pan Mine and Gold Rock project being secured by collateral in the amount of approximately 38% of the bond. These revised terms are subject to the surety's continued evaluation of the Company's operations, development and financial condition, and, as is customary of surety reclamation bond agreements, the surety has broad rights to demand additional collateral at any time. We are required to maintain the reclamation bond until all abandonment and remediation obligations have been completed to the satisfaction of the BLM. The surety contract names the Company and several of its subsidiaries as indemnitors to the surety agreement.

NON-IFRS FINANCIAL MEASURES

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

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

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

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

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

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

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

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

NON-IFRS FINANCIAL MEASURES

	Three Months Ended March 31,		Six Months Ended March 31,	
(US$000's, except where indicated)	2021	2020	2021	2020
Gold Ounces Produced	10,915	12,085	20,120	20,834
Gold Ounces Sold (Payable)	10,884	12,026	20,095	21,119
Revenue	$ 19,279	$ 18,956	$ 36,488	$ 32,030
Silver Sales	(11)	-	(11)	(3)
Revenues from Gold Sales	**$ 19,268**	**$ 18,956**	**$ 36,477**	**$ 32,027**
Average Realized Price	**$ 1,770**	**$ 1,576**	**$ 1,815**	**$ 1,517**
Adjusted Net Earnings				
Net Income	$ 4,496	$ 2,889	$ 8,992	$ 3,478
Mineral Property Disposal (Gains) / Losses	-	31	-	31
Gain on Change of Environmental Closure Assets	(367)	-	(367)	-
Foreign Currency Translation Gain	-	9	-	7
Unrealized Gains on Derivative Instruments	-	(39)	-	(438)
Adjusted Net Earnings	**$ 4,129**	**$ 2,890**	**$ 8,625**	**$ 3,078**
Net Earnings per Share	**$ 0.05**	**$ 0.03**	**$ 0.09**	**$ 0.04**
Adjusted Net Earnings per Share	**$ 0.04**	**$ 0.03**	**$ 0.09**	**$ 0.03**
Cash Costs per Ounce Sold				
Total Operating Costs	$ 12,183	$ 13,651	$ 22,129	$ 24,360
Depreciation and Depletion	(1,468)	(1,826)	(2,868)	(3,165)
Share Based Compensation in Production Costs	(50)	(4)	(94)	(47)
Silver Credits	(11)	-	(11)	(3)
Total Cash Costs	**$ 10,654**	**$ 11,821**	**$ 19,156**	**$ 21,145**
Total Cash Costs per Ounce Sold	**$ 979**	**$ 983**	**$ 953**	**$ 1,001**
Cost of Sales per Ounce Sold				
Costs of Sales	**$ 12,183**	**$ 13,651**	**$ 22,129**	**$ 24,360**
Cost of Sales per Ounce Sold	**$ 1,119**	**$ 1,135**	**$ 1,101**	**$ 1,153**
Pan Mine All-in Sustaining Costs*				
Total Cash Costs	$ 10,654	$ 11,821	$ 19,156	$ 21,145
Sustaining Capital*	297	28	969	148
Share Based Compensation	50	4	94	47
Reclamation Cost Accretion	97	179	191	350
Depreciation of ARO Asset	-	461	74	943
Pan Mine All-in Sustaining Costs	**$ 11,098**	**$ 12,493**	**$ 20,484**	**$ 22,633**
Pan Mine AISC per Ounce Sold	**$ 1,020**	**$ 1,039**	**$ 1,019**	**$ 1,072**
Fiore Consolidated All-in Sustaining Costs				
Pan Mine All-in Sustaining Costs	$ 11,098	$ 12,493	$ 20,484	$ 22,633
Corporate General & Administrative Costs	1,579	1,128	3,268	2,261
Corporate Share Based Compensation	229	25	383	106
Other Sustaining Capital	6	13	9	16
Fiore Consolidated All-in Sustaining Costs	**$ 12,912**	**$ 13,659**	**$ 24,144**	**$ 25,016**
Fiore Consolidated AISC per Ounce Sold	**$ 1,186**	**$ 1,135**	**$ 1,202**	**$ 1,185**

NON-IFRS FINANCIAL MEASURES

(US$000's, except where indicated)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
Pan Operating Income				
Consolidated Operating Income	$ 5,185	$ 3,516	$ 10,500	$ 3,964
Corporate General & Administrative Costs	1,579	1,128	3,268	2,261
Corporate Share Based Compensation	229	25	383	106
Non-Pan Exploration Costs	103	636	208	1,339
Pan Operating Income	**$ 7,096**	**$ 5,305**	**$ 14,359**	**$ 7,670**
Pan Operating Cash Flow	**$ 5,200**	**$ 5,959**	**$ 10,806**	**$ 8,475**
Non-Pan Operating Cash Flow	(1,571)	(2,080)	(4,191)	(4,508)
Consolidated Operating Cash Flow	$ 3,629	$ 3,879	$ 6,615	$ 3,967
Pan Sustaining Capital				
Cash Flow Additions to Property, Plant and Equipment	$ 3,972	$ 538	$ 7,775	$ 1,062
Accounts Payable Change Relating to Capital Additions	(90)	232	1,071	390
Lease Capital Additions	-	-	-	-
Non-Sustaining Major Projects				
Pan Mine Resource Drilling	(323)	(696)	(695)	(1,433)
Pan Phase III Heap Leach Pad	(3,210)	(33)	(7,024)	(39)
Other Non-Sustaining Capital	(52)	(13)	(158)	168
Pan Sustaining Capital	**$ 297**	**$ 28**	**$ 969**	**$ 148**

* The WGC defines non-sustaining costs as "costs incurred at 'new operations' and costs related to 'major projects at existing operations' where these projects will materially benefit the operation. A material benefit to an existing operation is at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation. The Pan Mine resource expansion drilling program and construction of the phase III heap leach pad were conservatively classified as sustaining capital expenditures during the first three quarters of FY2020. Per the WGC, the determination of classification as sustaining or non-sustaining requires judgment by a company's management. The facts and circumstances that lead to a decision may change over time and this may lead to a change in classification between the time the project is originally contemplated and when it is completed. Upon conclusion and review of drilling results, it was determined that costs of the FY2020 Pan Mine resource expansion drilling program were more appropriately classified as a major project materially benefiting the operation due to the added life of mine production and reserves and therefore classified as non-sustaining capital. Particularly the reserve addition represents more than a 10% increase in life of mine production. The phase III heap leach pad is being constructed due to the additional ore added to the Pan Mine reserve from the related expansion drilling program and is also more appropriately classified as a major project materially benefiting the operation and therefore classified as non-sustaining capital.

The below table reconciles Pan Mine AISC[1] and Fiore Consolidated AISC[1] for the three and six months ended March 31, 2020 to originally reported amounts:

($000's, except per ounce data)	Q2 2020	YTD Q2 2020
As Previously Reported		
Sustaining Capital[1]	$ 757	$ 1,620
Pan Mine AISC per Ounce Sold[1]	1,099	1,141
Fiore Consolidated AISC per Ounce Sold[1]	1,196	1,254
Pan Mine Resource Drilling Reclassified to Non-Sustaining	$ (696)	$ (1,433)
Pan Phase III Heap Leach Pad Reclassified to Non-Sustaining	(33)	(39)
Adjusted		
Sustaining Capital[1]	$ 28	$ 148
Pan Mine AISC Per Ounce Sold[1]	1,039	1,072
Fiore Consolidated AISC per Ounce Sold[1]	1,135	1,185

[1]Refer to the Non-IFRS Financial Measures directly above for a reconciliation to conventional measures prepared in accordance with IFRS.

OUTSTANDING SHARE DATA

The Company's fully diluted share capital as of May 11, 2021, is as follows:

Outstanding	
Common Shares as of May 11, 2021	99,342,383
Share Options Granted at an Exercise Price of $0.80 per option	2,099,167
Share Options Granted at an Exercise Price of $0.86 per option	250,000
Share Options Granted at an Exercise Price of C$0.33 per option	795,000
Share Options Granted at an Exercise Price of C$0.38 per option	1,310,998
Share Options Granted at an Exercise Price of C$0.40 per option	175,000
Share Options Granted at an Exercise Price of C$0.42 per option	110,000
Share Options Granted at an Exercise Price of C$0.52 per option	300,000
Share Options Granted at an Exercise Price of C$0.75 per option	175,000
Share Options Granted at an Exercise Price of C$1.15 per option	475,000
Share Options Assumed from Arrangement at an Exercise Price of C$0.19 per option	26,500
Share Options Assumed from Arrangement at an Exercise Price of C$1.32 per option	463,750
Share Options Assumed from Arrangement at an Exercise Price of C$1.62 per option	106,000
Share Options Assumed from Arrangement at an Exercise Price of C$1.92 per option	402,800
Restricted Stock Units	1,337,731
Deferred Stock Units	188,000
Fully Diluted Share Capital	**107,557,329**

INTERNAL CONTROLS AND PROCEDURES

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

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

FINANCIAL RISK MANAGEMENT

We have exposure to certain risks resulting from our use of financial instruments. These risks include credit risk, liquidity risk and market risk, which includes sub-categories of foreign currency risk and price risk. During the six months ended March 31, 2021, there were no significant changes to our exposure to risks resulting from our use of financial instruments or to our financial risk management strategy.

TRANSACTIONS WITH RELATED PARTIES

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

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	**2020**	**2021**	**2020**
Director Fees	$ 62	$ 37	$ 123	$ 37
Senior Management	520	431	1,025	797
Share-Based Payment	-	-	1,061	103
Total	$ 582	$ 468	$ 2,209	$ 937

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Amounts due to key management and directors as of March 31, 2021 and September 30, 2020 was $0.47 million and $0.94 million, respectively.

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

RISKS AND UNCERTAINTIES

Investing in our Common Shares involves a high degree of risk. Prospective investors should carefully consider the risk factors discussed in the Company's Management's Discussion & Analysis for the year ended September 30, 2020, together with all of the other information included or referred to in this MD&A, before purchasing our Common Shares. The risks set out within the Company's Management's Discussion & Analysis for the year ended September 30, 2020 are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our Common Shares could decline and investors in our Common Shares could lose all or part of their investment.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

- the establishment and estimates of mineral reserves and resources;
- the grade of mineral reserves and resources;
- anticipated expenditures and costs in our operations;
- plans for non-sustaining capital expenditures;
- our expectations regarding gold recovery;
- anticipated gold revenues;
- our estimated future production, cost of production, sales and cost of sales;
- the addition of lime application to the leach pad will bring the leach solution pH back within the optimal range at the Pan Mine and addressing impacts to gold extraction;
- construction of the phase III heap leach pad and increased gold production;
- planned exploration activities and the anticipated outcome of such exploration activities;
- planned capital improvements or development activities on our Pan Mine;
- plans for development of the Gold Rock project, including those set forth in the Final EIS for the Gold Rock Mine Project and the Gold Rock PEA;
- plans for programs in support of a Gold Rock Feasibility Study and timing of the Feasibility Study;
- plans and anticipated timing for obtaining permits and licenses for our properties;
- anticipated closure costs;
- expected future financing and its anticipated outcome;
- expected financial performance, financial condition and financial prospects;
- our outlook, goals, objectives, strategies and milestones;
- the transition period to optimize ore crushing and leaching processes;
- estimates of environmental liabilities;
- our ability to fund our estimated expenditure and capital requirements;
- anticipated benefits of improvements made to processes and plant;
- plans for sustaining and non-sustaining capital spend;
- our future business strategy, plans and goals;
- anticipated planned production at development properties;
- anticipated liquidity to meet expected operating costs and capital requirements;
- the timing and amount of future estimated production;
- anticipated mining operations proceeds as planned;
- factors expected to impact our results of operations;
- ability to obtain permits and regulatory approvals;
- ability to operate during pandemics;

- the expected impact of the adoption of new accounting standards; and
- plans to acquire additional properties and operations.

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

- uncertainty and risks related to fluctuations in gold, silver and other metal prices;
- uncertainty and risks related to actual production, development costs differing from technical reports and estimates;
- uncertainty and risks related to our mineral resource estimates being based on assumptions and interpretations and our properties yielding less mineral production under actual conditions than currently estimated;
- uncertainty and risks relating to feasibility studies;
- uncertainty and risks of estimated future production;
- uncertainty and risks of estimates future costs and cost estimates;
- uncertainty and risks of the Pan Mine crusher performance and throughput adequately covering operating costs;
- uncertainty and risks regarding construction of the phase III heap leach pad at the Pan Mine;
- uncertainty and risks related to good title of the Company's mineral properties;
- uncertainty and risks related to our ability to complete the Gold Rock state permitting process;
- uncertainty and risks related to exploration, development and operating;
- uncertainty and risks related to the availability of sufficient rocky ore to maintain permeability of our leach pads;
- risks related to our contract mining agreement with Ledcor CMI, Inc. and their ability to execute our mine plan and risks related to the renewal or non-renewal of the contract mining agreement;
- risks related to land reclamation requirements on our properties;
- risks related to the surety agreements;
- risks and uncertainty of adequate water supply to support or expand operations;
- uncertainty and risks related to operating in foreign countries;
- uncertainty and risks related to the Company's ability to generate sufficient cashflow to fund our long-term business plan;
- uncertainty and risks related to the development and advancement of mining properties, including Gold Rock;
- uncertainty and risks of obtaining an agreement with an adjacent land owner for development of our Golden Eagle project;
- risks related to certain contracts limiting the Company's ability to benefit from increased metal prices;
- risks related to the dependence on information technology systems;
- risks related to government regulations that could affect our operations and costs;
- risks related to the costs associated with complying with public company regulations;
- risks related to our reliance on exemptions allowed for within certain U.S. securities regulations;
- risks related to current differences in U.S. and Canadian practices for reporting reserves and resources;
- risks related to environmental regulations that may increase our costs of doing business or restrict our operations;
- risks related to Federal Mine Safety and Health Act inspections and potential violations;
- uncertainty and risks related to proposed legislation that may significantly affect the mining industry;
- uncertainty and risks related to pending legislation governing issues involving climate change;
- uncertainty and risks related to land reclamation requirements on our properties;
- uncertainty and risks related to our ability to acquire necessary permits and licenses to place our properties into production or expand our current operations;
- risks related to the governmental regulations included the requirement to remove and handle toxic substances;
- uncertainty and risks related to public opinions and the effect on our business;

- events such as natural disaster or outbreaks of disease (such as the worldwide pandemic of the novel strain of coronavirus (COVID-19));
- uncertainty regarding our ability to mitigate the risks presented by the COVID-19 pandemic;
- risks related to the volatility of the market price of our public securities;
- risks related to our inability to manage growth in our business adequately;
- risks related to liquidity and counterparty risk;
- uncertainty and risks related to potential service disruptions of gold refiners;
- risks and uncertainty related to potential acquisitions;
- risks related to our lack of dividend history in relation to our Common Shares;
- uncertainty and risk of future preferred share or debt offerings by us and the impact on current shareholders;
- risks related to our potential requirement for additional financing to fund exploration, development and, if warranted, production at our exploration properties;
- risks associated with our ability to generate on-going positive cash flows;
- risks related to competition in the mining industry and the need for additional capital;
- uncertainty and risks related to the effect of a shortage of equipment, labor and supplies on our ability to operate our business;
- risks related to our lack of insurance for certain high-risk activities;
- risks related to the high degree of risk and the possibility of uninsured losses due to the nature of mineral exploration and production activities;
- uncertainty and risks related to foreign corruption and bribery laws;
- uncertain and risks related to the current global financial economy;
- risks related to currencies with which the Company does business;
- risks related to our ability to attract and retain qualified management to meet our expected needs in the future;
- risks related to our directors and officers having conflicts of interest; and
- uncertainty and risks of changes in U.S., Nevada and Canadian tax laws, rules or, interpretations and the use of historical losses;

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

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

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

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

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

FIORE GOLD COMPETENT PERSONS STATEMENT

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

Scientific and technical information referred herein has been extracted from and is hereby qualified by reference to the technical reports for our projects. The technical reports referenced herein are as follows: (1) the report titled "NI 43-101 Updated Technical Report on Resources and Reserves Pan Gold Project, White Pine County, Nevada" with an effective date of June 30, 2020, which disclosure was approved by Michael B. Dufresne, M.Sc., P.Geol., P.Geo., a Principal in APEX Geoscience Ltd., Justin Smith, P.E. Mining BSc., SME-RM, a Senior with SRK Consulting (U.S.) Inc., Warren Black, M.Sc., P.Geo, Deepak Malhotra, PhD, RM-SME, Valerie Sawyer, RM-SME, Fredy Henriquez, MSc., RM-SME and Michael Iannacchione, B.Sc., MBA, P.E. and (2) the report titled "Technical Report on the Preliminary Economic Assessment of the Gold Rock Project, White Pine County, Nevada, USA", with an effective date of March 31, 2020, which was prepared by Michael B. Dufresne, M.Sc., P.Geo., P.Geo., Gregory B. Sparks, B.Sc., P.Eng., Sam J. Shoemaker, Jr. .S., SME Registered Member, Warren E. Black, M.Sc., P.Geo. and Steven Nicholls, BA.Sc., MAIG.