(An exploration stage business)

MANAGEMENT'S DISCUSSION AND ANALYSIS
TIER ONE SILVER INC.
FOR THE YEAR ENDED DECEMBER 31, 2020

Dated: February 26, 2021

1. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2020 AND THE PERIOD UP TO FEBRUARY 26, 2021

1.1 Creation of Tier One Silver Inc.

- Tier One Silver Inc. (the "Company" or "Tier One") was incorporated under the British Columbia Business Corporations Act on July 23, 2020. Tier One is an unlisted reporting issuer in the province of British Columbia and its head office and principal address is located at 1199 West Hastings Street, Suite 600, Vancouver, British Columbia, Canada, V6E 3T5.

- On July 29, 2020, Auryn Resources Inc.("Auryn") – now known as Fury Gold Mines Limited ("Fury Gold") and Eastmain Resources Inc. ("Eastmain") entered into a definitive agreement to combine their Canadian mineral businesses, provided that Fury Gold spun out its Peruvian subsidiaries into two newly formed British Columbia subsidiaries, distributed to its shareholders the common shares of these subsidiaries, including Tier One and completed a concurrent financing (collectively, the "Transaction").

- The Transaction closed on October 9, 2020. As a result, Tier One received from Fury Gold, in exchange for 112,340,433 shares, representing the total outstanding shares of Fury Gold minus one share on the date of close, the following:

    - all issued and outstanding shares of Corisur Peru, S.A.C. ("Corisur"), a Peruvian company which was incorporated on December 17, 2015 pursuant to the General Law of Companies (Ley General de Sociedades);
    - all issued and outstanding shares of Magma Minerals, S.A.C. ("Magma"), a Peruvian company which was incorporated on January 31, 2020 pursuant to the same law;
    - contributions from parent;
    - mineral property interests including the Curibaya and Huilacollo projects; and
    - closing date cash of approximately $3.8 million, representing 32.5% of the closing date cash of Fury Gold on the Transaction date close.

  Concurrently on the date of close, Fury Gold distributed all of the issued Tier One shares to its shareholders. Fury Gold shareholders received, for each Fury Gold share held as of the closing date of the Transaction, a full share in Tier One.

- Tier One is planning to list its shares for public trading on the TSX Venture Exchange by mid-2021.

- The Company accounted for this common control transaction using book value accounting based on the book values recognized in the financial statements of the underlying entities. This results in the consolidated financial statements reflecting the combination as if it had occurred from the beginning of the period that the entities were under common control, regardless of the actual date the common control transaction closed.

- For the purposes of this Management's Discussion and Analysis ("MD&A") the Company has adopted, by reference, all of the work that was previously done on the Curibaya project by its predecessor, Auryn. In that regard, the Company confirms that the geological and technical team that was utilized by Auryn are now being utilized by the Company. Where this discussion indicates that the Company undertook a task, competed an acquisition or received some form of government/community approval prior to October 9, 2020, such action in fact pertained to Auryn and is adopted and incorporated by reference by the Company. Similarly, references to expenditures, impairments or costs incurred by the Company in periods before October 9, 2020 are attributable to expenditures, impairments and costs incurred by Auryn which are adopted by reference by the Company for the purposes of this MD&A.

1.2 Other corporate highlights

- The main focus of the Company is the 100% owned Curibaya project, which consists of approximately 11,000 hectares and is located approximately 48 kilometres ("km") north-northeast of the provincial capital, Tacna, accessible by road.

- On February 11, 2021, Tier One announced a non-brokered private placement of up to 10 million common shares (the "Shares") at an offering price of $1.00 per Share for gross proceeds of up to $10.0 million (the Offering"). The Offering is limited to accredited investors and other investors who are eligible to purchase Shares exempt from prospectus and registration requirements. The Company intends to use the net proceeds from the Offering to fund the upcoming drill program at the Curibaya project, acquisition costs, and continued surface exploration at the Emilia and Coastal Batholith projects and for general working capital.

- On January 13, 2021, It was announced that Peter Dembicki was appointed President, Chief Executive Officer, and Director. Accordingly, Shawn Wallace resigned as President and Chief Executive Officer and remains a Director of the Company.

- On June 17, 2020, the Company announced that it was resuming exploration activities at its Curibaya projects in southern Peru. The Company received approval from the Peruvian government to resume work following restrictions that had been put in place due to COVID-19 in the first quarter of 2020. At that time, all of its office employees had been given the option to work from home, while personnel in Peru had been recalled from the field due to a 15 day government imposed lockdown in the country, which was subsequently extended.

1.3 Operational highlights

- On February 4, 2021, the Company announced it had identified the age of mineralization at the Curibaya silver-gold project to be Paleocene, ranging from 55 to 61 million years. This is equivalent to several world-class deposits in southern Peru porphyry belt, including Quellaveco (Anglo American), Toquepala (Southern Copper Corp.) and Cuajone (Southern Copper Corp.). Tier One's technical team believes the Paleocene age date of the mineralization, along with the large precious metal budget observed within high-grade veins over a 4 km by 5 km alteration system, support the potential for a world-class discovery at the Curibaya project.

- On February 1, 2021, the Company announced it entered into an option agreement dated January 12, 2021, to acquire 100% of the Emilia property in southern Peru, which will be treated as an asset acquisition. The project represents a porphyry – iron oxide copper-gold ("IOCG") opportunity and is located by the coast approximately 80 km southwest from Arequipa and 7 km west from National Highway 15 with access to infrastructure.

- On January 20, 2021, the Company announced that it received its Ficha Tecnica Ambiental ("FTA" or "Environmental Permit") from the Peruvian Ministry of Energy and Mines for Curibaya. The FTA allows the Company to drill up to 40 holes from 20 platforms over a 473-hectare area, which is within the 20 square km mineralized alteration zone where high-grade vein corridors have recently sampled up to 298 kg/t silver and 14.1 g/t gold. Normal course permits remain outstanding; management does not foresee any reason why these may not be granted.

- On December 15, 2020, the Company provided an update on its targeting efforts at the Curibaya project. In an effort to identify the potential source of the numerous high-grade silver and gold veins sampled on surface, the Company completed a 450-line km airborne magnetic survey and 30-line km ground-based induced polarization survey over the 20 square km alteration zone.

- On February 28, 2020, the Company announced results from its mapping and sampling program at the Curibaya project. Through geological mapping, a series of rhyolite to dacite flow dome complexes was identified. The Company's technical team believes these domes are the source for the widespread, high-grade precious metal veins sampled to-date across a 4 km by 4 km alteration system.

< Refer to the section 2.1 for cautionary wording concerning forward-looking information>

2. DATE AND FORWARD-LOOKING STATEMENTS

This MD&A of Tier One has been prepared by management to assist the reader to assess material changes in the consolidated financial statements and results of operations of the Company as at December 31, 2020 and for the period then ended.

This MD&A reviews the financial results of the Company for the three months and year ended December 31, 2020. Commentary is made on the results for the period under review.

This MD&A should be read in conjunction with the consolidated financial statements of the Company and related notes thereto as at and for years ended December 31, 2020 and 2019. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB"). IFRS include International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is February 26, 2021.

2.1 Forward-looking statements and risk factors

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; general economic conditions; public health crises such as the COVID-19 pandemic and other uninsurable risks; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the former parent company, Fury Gold's most recent annual information form ("AIF"). These are not the only risks and uncertainties that Tier One faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Readers should refer to the risks discussed in the Fury Gold's AIF and MD&A for the year ended December 31, 2019, and subsequent continuous disclosure filings with the Canadian Securities Administrators available at www.sedar.com. These documents are for information purposes only and not incorporated by reference in this MD&A. Additional information relating to the Company and its operations can also be found on the Company's web site at www.tieronesilver.com. For discussion regarding the former parent company, refer to www.aurynresources.com.

3. DESCRIPTION OF THE BUSINESS

The Company is focussed on creating significant value for shareholders through the exploration and potential discovery of world-class silver and gold deposits in southwest Peru. The Company is actively planning to complement its existing strong property portfolio through additional precious metal acquisitions in Peru, leveraging its in-country experienced personnel teams. At the date of this document, the Company has four projects:

- the 100% owned flagship Curibaya project, which consists of approximately 11,000 hectares and is located approximately 48 km north-northeast of the provincial capital, Tacna;
- the Huilacollo epithermal property, which is comprised of approximately 3,300 hectares and is located 52 km from Tacna;
- the Emilia project, which consists of 1,400 hectares and is located approximately 80 km southwest from Arequipa, 7 km west from National Highway 15; and
- the Coastal Batholith, which is comprised of five target areas on the coast of Peru, totaling 41,000 hectares and is a low altitude project located approximately 180 km north of Lima, near the Pan-American Highway.

The Company's technical and management teams have a track record of successfully monetizing assets for all stakeholders and local communities in which it operates. The Company conducts itself to the highest standards of corporate governance and social responsibility. As a normal part of the exploration process, Tier One enters into access and use agreements with local communities surrounding its projects. The process of securing such agreements requires achieving local community consensus and can be challenging, however positive dialogue continues with the communities and management believes that agreements will continue to be maintained and updated, although there can be no certainty at this time about their timing or extent.

3.1 Impacts of COVID-19

During 2020, there were limitations of movement across the globe. In March 2020, the Peruvian government mandated a 15-day lockdown of the country and the Company recalled all personnel from the field.

In April 2020, the Company declared force majeure under its Huilacollo option as a result of the COVID-19 shutdown in Peru, allowing the Company to defer the option payment that was otherwise due in May 2020. In June 2020, the Company received approval from the Peruvian government to resume work activities at its projects. As a result, force majeure was lifted and the option payment became due in July 2020 and together with the finder's fee was then paid.

The situation in Canada and Peru with respect to the management of COVID-19 remains fluid and permitted activities are subject to change; the Company is continually reviewing the situation along with provincial and government guidelines and allowing work to be undertaken as long as it is confident that its employees are safe to do so.

While the disruptions resulting from the pandemic caused some delay in the Company's planned goals for 2020, mainly related to its inability to conduct field programs in Peru since the lockdown was mandated, management was still able to continue with much of its planned activity. During the third and fourth quarters, the Company advanced minor road access and camp infrastructure projects at Curibaya. As the situation surrounding COVID-19 continues to develop daily, the Company will continue to monitor the situation closely and respond appropriately.

3.2 Peruvian projects

3.2.1 Curibaya

The Curibaya property comprises of approximately 11,000 hectares situated in a copper porphyry belt that hosts some of Peru's largest porphyry deposits. Tier One inherited ownership of the Curibaya project and relating obligations from Auryn. Tier One has a 100% interest in the Curibaya concession, which was acquired in 2015, and the Sambalay and Salvador concessions, which were acquired in 2019. The Sambalay concessions are subject to a 1.5% net smelter return ("NSR") royalty in favor of each of Teck Peru, S.A.C. ("Teck") and Compania de Exploraciones Orion S.A.. One third or 0.5% of the Teck NSR royalty is buyable for US$1.0 million. The Salvador concessions are subject to a 2.0% NSR royalty and a US$2.0 million production payment, payable at the time a production decision is made, and to secure payment of such consideration, a legal mortgage in favor of Teck is recorded in the registry files of the Salvador concessions.

The Company completed a first-pass reconnaissance rock sampling program in Q4 2019, which sampled high-grade mineralization throughout a 1.5 km by 4.5 km quartz – sericite – pyrite alteration system. This was followed up with geological mapping and additional rock and channel sampling in early 2020. In total, 539 rock samples, 416 channel samples and 9 stream sediment samples have been taken. The goal of the exploration to date has been to gain a better understanding the spatial distribution of high-grade mineralization throughout the alteration system as well as confirming results from historical rock samples.

The Company's ongoing exploration program selectively sampled veins in previously unsampled areas and in doing so identified a new zone of mineralization approximately one kilometer to the northeast of previous sampling extending the alteration system to a 4 km by 4 km area. Through geological mapping a series of rhyolite to dacite flow dome complexes have been identified which the Company believes may be the sources of the widespread, high-grade precious metal veins sampled to date. In addition, a float sample 800 meters to the northeast returned grades of up to 9,180g/t silver and 42.6g/t gold.

On June 17, 2020, the Company received approval from the Peruvian government to resume work activities at Curibaya. The completed work plan at Curibaya included:

- Improved 39 km of road access due to previous flood damage and establishment of an exploration camp on site.
- 450-line km airborne magnetics and radiometrics surveys over the 4 km by 5 km alteration center that hosts the high-grade precious metal veins.

- 749 meters of channel sampling along both the defined vein corridors and the margins of the dome complexes, which the Parent's technical team believes are the source of the high-grade veins observed on the project.
- 30-line km of ground-based geophysical induced polarization surveys across the vein corridors and the margins of the dome complexes.

Additional rock sampling programs within the defined vein corridors that are situated above the recently identified chargeability and magnetics geophysical anomalies was conducted by the Company. Results from these programs continue to demonstrate the presence of high-grade silver and gold mineralization, with samples up to 298 kg/t silver (298,590 g/t silver) and 14.1 g/t gold. Vein sampling is aiding in drill targeting, ensuring drill holes are placed in zones with the highest grade mineralization and vein density. See press releases dated February 4, 2021, January 20, 2021, December 15, 2020, and February 28, 2020, for full results from the Company's surface programs at Curibaya.

3.2.2 Huilacollo

The Huilacollo epithermal property is comprised of approximately 3,300 hectares of intense hydrothermal alteration that is consistent with epithermal Au/Ag mineralization over a 4 km by 6 km area. Tier One inherited the rights to the Huilacollo property from Auryn pursuant to the Transaction. Tier One has an option agreement with a local Peruvian company, Inversiones Sol S.A.C. (the "Huilacollo option"). Under the Huilacollo option, the Company may acquire a 100% interest, subject to an NSR, through a combination of work expenditures totaling US$7.0 million and cash payments totaling US$8.75 million over 6 years.

Effective April 3, 2020, the Company declared force majeure under its Huilacollo option as a result of the COVID-19 shutdown in Peru, allowing the Company to defer the option payment that was otherwise due May 11, 2020. Force Majeure was lifted on June 5, 2020, due to the Peruvian Governments easing of COVID-19 restrictions. As a result, the option payment became due in July 2020 and together with the finder's fee was then paid. The application for the Supreme Decree was submitted in December 2020 and the Company is awaiting a response.

3.2.3 Other

The Company recently added the Emilia project as noted earlier in this MD&A. In order to exercise the option, Tier One must make cash payments totaling US$10.0 million over 5 years. The Company is required to incur work expenditures totaling US$100,000 within the first year and US$240,000 in the second year. The amount increases to US$800,000 should Tier One utilize diamond drilling processes.

The Coastal Batholith project was staked during the last quarter of 2020. The Coastal Batholith is comprised of five target areas on the coast of Peru, totaling 41,000 hectares, with both precious and base metal opportunities. Tier One screened 11,000 square km using a stream sediment survey to identify the five target areas, which are located within the northern half of the Cretaceous porphyry and IOCG belt that hosts the Zafranel (Teck Resources), Tia Maria (Southern Copper Corp.) and Mina Justa (Minsur S.A.) deposits in the southern region of Peru. The Company's technical team believes the same geology continues north of these deposits but has never been explored in a systematic manner

3.3 Qualified persons and technical disclosures

Michael Henrichsen, P. Geo., Chief Operating Officer of Tier One, is the Qualified Person with respect to the technical disclosures in this MD&A.

3.4 Climate related risks

The Company acknowledges the impact of climate change on the weather patterns at its projects, particularly at the Curibaya project which is in the southern coastal desert region of Peru including very poorly vegetated plateaus and low hills to mountainous topography. The region is occasionally incised by mainly southwest flowing river systems, and the weather in the area is typical of high-altitude terrain at this latitude, where annual temperature fluctuations are limited. Daytime temperatures are typically cooler during the months of May to September with a rainy season generally extending from November to April. Significant rainfall events are known to occur, and in early 2020 a particularly bad period of rainfall led to flooding which temporarily restricted access to the project. When undertaking activities, the Company is committed to taking all reasonable steps to mitigate climate related risks.

Management's Discussion and Analysis of Financial Condition and Results of Operations for year ended December 31, 2020 (In Canadian dollars, unless otherwise noted)

4. SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Comprehensive loss for the period	$ 3,396,911	$ 1,734,938	$ 2,173,459
Net loss for the period	$ 3,272,495	$ 1,600,833	$ 2,357,394
Basic and diluted loss per share[1]	$ 0.03	$ n/a	$ n/a
Total assets	$ 6,696,309	$ 3,490,010	$ 3,257,823

[1] As Fury Gold was the parent company of Tier One prior to the Transaction, basic and diluted loss per share information for the years ended December 31, 2019 and 2018 are not applicable ("n/a").

The Company generated no revenues from operations during the above periods. The Company did not have long-term liabilities at December 31, 2020, 2019, and 2018.

5. DISCUSSION OF OPERATIONS

Three months ended December 31, 2020 and 2019 (Q4 2020 vs. Q4 2019)

During the three months ended December 31, 2020, the Company reported a loss of $1,643,203 compared to a loss of $659,631 for the same period in 2019. Significant variances within operating expenses and other expenses, which in combination resulted in the $983,572 increase in the current period's loss, are discussed as follows:

Operating expenses

- Exploration and evaluation costs in Q4 2020 were $1,267,559 compared to $244,964 in Q4 2019, an increase of $1,022,595 primarily driven by the work program at Curibaya.
- Fees, salaries, and other employee benefits increased $161,014 from $49,825 in Q4 2019 to $210,839 in Q4 2020, as additional employees were hired including head office management.
- Project investigation costs were $10,789 in Q4 2020 as compared to $nil in Q4 2019, as the Company looked at new projects for exploration potential.

Other expenses and income:

- The Company wrote down the carrying value of mineral property interests of $337,203 in Q4 2019; no write downs occurred during Q4 2020.
- Due to the weakening of US dollar monetary net assets held, foreign exchange loss increased by $19,303 from $2,060 in Q4 2019 to $21,363 in Q4 2020.

Years ended December 31, 2020 and 2019 (FY2020 vs. FY2019)

During the year ended December 31, 2020, the Company reported a net loss of $3,272,495 compared to a net loss of $1,600,833 for the same period in 2019. The $1,671,662 increase in net loss in the current period is mainly driven by an $1,642,499 increase in the exploration and evaluation costs. The drivers behind the significant variances for the year in 2020 compared to 2019 is consistent with that described above for the three-month period.

Summary of Project Costs

During the year ended December 31, 2020, the Company incurred $529,393 of mineral property additions and $2,627,742 in exploration and evaluation costs on its projects.

Management's Discussion and Analysis of Financial Condition and Results of Operations for year ended December 31, 2020 (In Canadian dollars, unless otherwise noted)

Mineral property interests	**Curibaya**	**Huilacollo**	**Other**	**Total**
Balance as at December 31, 2019	**$ 976,259**	**$ 2,261,291**	**$ -**	**$ 3,237,550**
Mineral property additions	20,031	337,475	171,887	529,393
Currency translation adjustment	(9,579)	(63,747)	(5,708)	(79,034)
Balance as at December 31, 2020	**$ 986,711**	**$ 2,535,019**	**$ 166,179**	**$ 3,687,909**

Exploration and evaluation costs	**Curibaya**	**Huilacollo**	**Other**	**Total**
Camp cost, equipment and field supplies	$ 866,655	$ 14,923	$ 4,940	$ 886,518
Geological consulting services	639,832	244	40,742	680,818
Permitting, environmental and community costs	439,557	121,641	-	561,198
Salaries and wages	189,753	-	-	189,753
Geophysical analysis	82,895	-	-	82,895
Share based compensation	81,747	-	-	81,747
Aircraft & travel	54,717	538	2,680	57,935
Assaying	55,854	91	-	55,945
Fuel and consumables	11,450	330	-	11,780
Depreciation	9.774	-	-	9,774
Expediting and mobilization	9,379	-	-	9,379
Total for the year ended December 31, 2020	**$ 2,441,613**	**$ 137,767**	**$ 48,362**	**$ 2,627,742**

Future operations and 2021 expenditure forecast

Following the completion of the Transaction in October 2020, as highlighted above, Tier One is planning to list its shares for public trading on the TSX Venture Exchange and to raise appropriate financing for the purpose of advancing exploration work on Curibaya.

As mentioned earlier, the Company announced an Offering of $10.0 million. Following a successful fundraise, the Company will continue community relations and permitting work at Curibaya. In addition to advancing regional targets, as well as potentially making additional acquisitions, the Company plans to complete a 4,000-metre drill program with the potential to increase to a 16,000-metre drill program, subject to results observed. The Company also plans to continue surface exploration at the Emilia and Coastal Batholith projects.

6. SUMMARY OF QUARTERLY RESULTS

Three months ended	**Net loss**	**Comprehensive loss**
	$	$
December 31, 2020	1,643,203	1,837,903
September 30, 2020	1,000,734	1,065,446
June 30, 2020	256,774	372,808
March 31, 2020	371,784	120,754
December 31, 2019	659,631	715,240
September 30, 2019	275,981	244,797
June 30, 2019	536,328	596,362
March 31, 2019	128,893	178,539

During the last eight quarters, the Company's net loss has ranged between $128,893 and $1,643,203. In the time period reflected, the largest losses are generally recorded in the second and fourth quarters in 2019 due to the timing of option payments, which typically occur in the second quarter, and the Company's summer exploration programs at its projects, which occur during the fourth quarter. As a result of delays due to COVID-19, the Company resumed exploration activities during June 2020 and continued its program for rest of the year. Further, the Company completed the Transaction in October 2020.

Management's Discussion and Analysis of Financial Condition and Results of Operations for year ended December 31, 2020 (In Canadian dollars, unless otherwise noted)

7. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 2,729,338	$ 25,915
Accounts receivable	$ 13,471	$ -
Mineral property interests	$ 3,687,909	$ 3,237,550
Current liabilities	$ 483,774	$ 15,300

The Company did not have unrestricted cash nor did it have long-term liabilities at December 31, 2020 and 2019. The working capital balance at December 31, 2020 was $2,407,358 (December 31, 2019: $68,558). Contractual obligations as at December 31, 2020, are reflected in the table below and include accounts payable and accrued liabilities of $483,774.

Contractual Obligations as of December 31, 2020	Payment terms	Amount
Accounts payable and accrued liabilities	Immediately	$ 483,774
Total		**$ 483,774**

During year ended December 31, 2020, the Company used cash of $2,786,463 in operating activities as compared to $1,010,270 during the year ended December 31, 2019. The cash outflow during 2020 was substantially higher than the cash outflow in 2019 due to the higher exploration activity on the Curibaya project as detailed above.

During the year ended December 31, 2020, the Company used cash in investing activities of $529,393 whereas $773,089 was used in 2019. This decrease was primarily due to reduced mineral property acquisitions in Peru.

During the year ended December 31, 2020, the Company received cash of $6,052,988 as compared to $1,778,112 during the year ended 2019, from its former parent company, Fury Gold to conduct its operations. As mentioned earlier in this MD&A, the Transaction was completed in October 2020.

Management expects its cash-on-hand will be sufficient to pursue its activities for the next twelve months. Additional plans are being made to explore the Curibaya, Emilia, and Coastal Batholith projects, and as noted earlier, funding will be achieved via a financing.

As at December 31, 2020, the Company has net working capital of approximately $2.4 million while it incurred a net loss of approximately $3.3 million for the year ended December 31, 2020. The Company has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The ability to continue as a going concern remains dependent upon Tier One's ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Capital Resources

The Company held cash and cash equivalents of $2,729,338 at December 31, 2020. Working capital was $2,407,358 at December 31, 2020. As of the date of this MD&A, Tier One is preparing to list its shares for trading on the TSX Venture Exchange and to raise appropriate financing for the purpose of advancing exploration work on Curibaya.

The former parent, Fury Gold allocated a certain portion of share-based compensation and exploration and evaluation costs to the Company. Refer to the Fury Gold's financial statements and its MD&A for further share option information.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements. Earn-in arrangements are not viewed as off-balance sheet arrangements, and there are no other commitments held by the Company at the balance sheet date.

Management's Discussion and Analysis of Financial Condition and Results of Operations for year ended December 31, 2020 (In Canadian dollars, unless otherwise noted)

9. TRANSACTIONS WITH RELATED PARTIES

9.1 Related party transactions

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Years ended December 31,	
	2020	**2019**
Universal Mineral Services Ltd.[1]	406,185	44,724
Sombrero Minerales, S.A.C.[2]		
Wages	-	60,006
Office	-	29,350
Subtotal	-	89,356
Total transactions for the periods	**406,185**	**134,080**

[1] Universal Mineral Services Ltd., ("UMS") is a private company with certain directors and officers in common with Tier One. UMS provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis. Having these services available through UMS, on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The agreement has an indefinite term and can be terminated by either party upon providing due notice.

[2] Sombrero Minerales, S.A.C. ("Sombrero") is a company with certain directors and officers in common with Tier One.

During the year ended December 31, 2020, Tier One paid Torq Resources Inc. ("Torq"), a company with certain directors and officers in common with Tier One, $50,000 as a partial reimbursement of costs incurred for some preliminary technical work on a mineral project owned by Tier One after Torq decided to focus on projects outside of Peru, for which payment the Company obtained title to and the benefits of the technical database related to this work.

During the year ended December 31, 2020, $81,747 (December 31, 2019 – $222,629) of share-based compensation and $78,244 (December 31, 2019 - $29,271) of exploration and evaluation expenditures from Fury Gold were allocated to the Company, respectively.

Fury Gold uses the fair value method of accounting for all share-based payments. The fair value of the share-based options granted up to the date of the Transaction and the year ended December 31, 2019 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	September 30, 2020	**December 31, 2019**
Risk-free interest rate	0.39%	1.59%
Expected dividend yield	Nil	Nil
Share price volatility	58%	62%
Expected forfeiture rate	0%	0%
Expected life in years	4.90	4.33

The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the share-based options. The expected volatility assumption is based on the historical and implied volatility of Fury Gold's common shares. The expected forfeiture rate and the expected life in years are based on historical trends.

After the close of the Transaction, there was no further allocation of stock-based compensation. The Company did not have any outstanding share options and share purchase warrants at December 31, 2020.

9.2 Related party balances

As at December 31, 2020, $96,293 (December 31, 2019 - $nil) was included in accounts payable and $50,000 (December 31, 2019 - $nil) was in prepaids and deposits relating to transactions with UMS.

Also included in accounts payable and accrued liabilities was $84,000 (December 31, 2019 - $nil) owed to Fury Gold related to the closing cash pursuant to the Transaction, which has been paid subsequent to the year end.

Management's Discussion and Analysis of Financial Condition and Results of Operations for year ended December 31, 2020 (In Canadian dollars, unless otherwise noted)

9.3 Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its executives and directors:

	December 31, 2020
Salary and benefits provided to executives	$143,243
Directors fees paid to non-executive directors	25,022
	$ 168,265

10. SUBSEQUENT EVENTS

On February 1, 2021, the Company announced it entered into an option agreement dated January 12, 2021, to acquire 100% of the Emilia property in southern Peru, which will be treated as an asset acquisition. The project represents a porphyry – iron oxide copper-gold opportunity and is located by the coast approximately 80 km southwest from Arequipa and 7 km west from National Highway 15 with access to infrastructure. In order to exercise the option, Tier One must make cash payments totaling US$10.0 million over 5 years. The Company is required to incur work expenditures totaling US$100,000 within the first year and US$240,000 in the second year. The amount increases to US$800,000 should Tier One utilize diamond drilling processes.

On February 11, 2021, Tier One announced an Offering of up to 10 million common shares at an offering price of $1.00 per share for gross proceeds of up to $10.0 million. The Offering is limited to accredited investors and other investors who are eligible to purchase shares exempt from prospectus and registration requirements. The Company intends to use the net proceeds from the Offering to fund the upcoming drill program at the Curibaya project, acquisition costs, and continued surface exploration at the Emilia and Coastal Batholith projects and for general working capital.

11. CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

11.1 Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

The Company does not have any provisions recorded as at December 31, 2020 and 2019.

11.2 Reclamation obligations

Management assesses its reclamation obligations annually and when circumstances suggest that a material change to the obligations may have occurred. Significant estimates and assumptions are made in determining the provision for rehabilitation and site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the reclamation asset and liability.

As the Company's projects are in early-stage exploration, management estimated the provision to be $nil as at December 31, 2020 and 2019.

11.3 Share-based compensation

During the year ended December 31, 2020, $81,747 (year ended December 31, 2019 - $222,629) of share-based compensation from the Fury Gold was allocated to the Company prior to Transaction close. As mentioned earlier, there was no further allocation of stock-based compensation after September 30, 2020.

11.4 Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

11.5 Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized. The Company's deferred tax assets and liabilities were determined using a future income tax rate of 27% in Canada and 29.5% in Peru.

12. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company confirms that it has adopted and continued the same accounting policies that were previously applied by Auryn in relation to its operations. To that end the Company has adopted the following amended accounting standards and policies effective January 1, 2020:

12.1 Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued Amendments to IAS 1 and IAS 8 to clarify the definition of material in IAS 1 and align the definition across the standards. The amendments are not intended to alter the underlying concept of materiality in IFRS standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence".

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term "material" to ensure consistency.

The Company adopted the amendments to IAS 1 and IAS 8 effective January 1, 2020, which did not have a material impact on the Company's consolidated financial statements.

12.2 Amendments to IFRS 3 – Business Combinations

The Company has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after January 1, 2020.

As mentioned earlier, it was determined that IFRS 3 did not apply to the Transaction. Further, the adoption of the amended standard did not have an immediate impact on the Company's consolidated financial statements but may be applied in assessing any future business combination and asset acquisition scenarios.

12.3 Amendments to IFRS 16 – Leases

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and

c) There is no substantive change to other terms and conditions of the lease. To provide practical relief to lessees in accounting for rent concessions arising as a result of COVID-19, the IASB proposed an amendment to IFRS 16 which provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19- related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted.

This amendment did not have a significant impact to the Company's consolidated financial statements as the Company has not received any COVID-19 related rent concessions as of the date of these consolidated financial statements.

13. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2020, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits, accounts payables and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, market risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in the notes to the Company's consolidated financial statements.

14. OTHER REQUIRED DISCLOSURE

14.1 Capital structure

The capital structure of the Company is as follows:

Authorized: Unlimited number of common shares
Number of common shares issued and outstanding as at February 26, 2021: 112,340,434
Number of common shares issued and outstanding as at December 31, 2020: 112,340,434

14.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements for the years ended December 31, 2020 and 2019 have been prepared by management in accordance with IFRS and in accordance with accounting policies set out therein.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and has not completed such an evaluation; and there are inherent limitations on the ability of Management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com under Tier One Silver Inc.'s profiles.

On behalf of the Board of Directors,

"Peter Dembicki"
Peter Dembicki
President and Chief Executive Officer
February 26, 2021