TIER ONE SILVER

(An exploration stage business)

TIER ONE SILVER INC.

Management's Discussion & Analysis

For the three and six months ended June 30, 2021

Dated: August 25, 2021

1. HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND THE PERIOD UP TO AUGUST 25, 2021

1.1 Corporate Highlights

- On August 2, 2021, the common shares of Tier One Silver Inc. ("Tier One" or the "Company") commenced trading on the OTCQB Venture Market ("OTCQB") in the United States operated by the OTC Markets Group Inc. under the symbol "TSLVF".

- On June 24, 2021, the Company announced that its Board of Directors had appointed Christy Strashek as a Director and promoted Natasha Frakes to Vice President of Communications.

- On June 9, 2021, the common shares of Tier One commenced trading on the TSX Venture Exchange ("TSXV") under the symbol TSLV.

- On April 12, 2021, the Company announced a grant of 7,715,000 share options to employees, officers and directors and consultants. The options are exercisable at $1.00, will vest over two years and expire in five years from the date of grant.

- On March 2, 2021, Tier One announced it had increased and completed its previously announced non-brokered private placement of 13,454,463 common shares (the "Shares") at an offering price of $1.00 per Share for net proceeds of $13,123,447 (the "Offering") net of fees, costs and commissions. The Offering was 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, continued exploration at the Company's portfolio of projects and for general working capital.

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

1.2 Operational highlights

- On August 6, 2021, the Company announced results from its initial channel samples and additional rock samples taken from its Curibaya project in southern Peru. Highlights include 2 metres (m) of 6,278 grams per tonne ("g/t") silver equivalent (AgEq[1]), 2 m of 1,256 g/t AgEq, 6 m of 398 g/t AgEq, 12 m of 203 g/t AgEq and 17 m of 71 g/t AgEq. The results demonstrate both high-grade vein and disseminated styles of mineralization within the 4 kilometre (km) by 5 km alteration system that currently defines the mineralized system at the project.

- On June 30, 2021, the Company announced that it had expanded its land position through staking at the Curibaya silver-gold project by approximately 50%, from 11,000 hectares (ha) to 16,800 ha.

- On June 17, 2021, the Company commenced drilling at the flagship Curibaya silver-gold project.

- On April 28, 2021, the Company entered into a share purchase option agreement (the "Pembrook Option") with Pembrook Copper Corp. ("Pembrook") to acquire Pembrook's Peruvian subsidiary, Compañia Minera Tororume S.A.C.("Tororume"), which owns the Hurricane Silver project located approximately 66 km north of the city of Cusco in southeastern Peru. Hurricane Silver covers approximately 25,640 ha and has numerous high-grade silver showings.

- On April 27, 2021, the Company announced that it had terminated a 2016 option agreement in respect of two mineral concessions within a larger project area known as Huilacollo, located in southern Peru. Tier One retains the Tacora and Andamarca concessions, as well as various other concessions in the area which altogether will now be referred to as the Corisur claims.

- On January 12, 2021, the Company entered into an option agreement 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

[1] Silver equivalent grades (AgEq) were calculated using a $1300/oz gold price and $18/oz silver price. AgEq = Ag (ppm) + Au (ppm) * (Ag $/troy oz/Au $/troy oz). No metallurgy recovers were used for the AgEq calculation

copper-gold ("IOCG") opportunity and is located by the Pacific coast approximately 80 km southwest from Arequipa and 7 km west from National Highway 15.

- On January 20, 2021, the Company announced that it received its Ficha Técnica Ambiental ("FTA" or "Environmental Permit") from the Peruvian Ministry of Energy and Mines for the Curibaya project. The FTA allows the Company to drill up to 40 holes from 20 platforms over a 473 ha 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.

< 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 June 30, 2021, and for the three and six month periods then ended.

This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for three and six months ended June 30, 2021, and 2020. The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 - *Interim Financial Reporting* ("IAS 34") of the International Financial Reporting Standards ("IFRS") 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 August 25, 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 Company's Form 2B listing application as filed on SEDAR. 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, 2020, 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 the SEDAR profile for Fury Gold.

3. DESCRIPTION OF THE BUSINESS

The Company is focused on creating significant value for shareholders through the exploration and potential discovery of world-class silver and gold deposits in southwest Peru. The main focus of the Company is the 100% owned Curibaya project, which consists of approximately 17,000 hectares and is located approximately 48 km north-northeast of the provincial capital, Tacna, accessible by road.

At the date of this document, the Company also has the following properties in addition to the flagship Curibaya project:

- the Hurricane Silver project which covers approximately 32,000 hectares and is located 66 km north of the city of Cusco;
- 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;
- the Coastal Batholith claims, comprised of five target areas on the coast of Peru, totaling 41,000 hectares. It is a low altitude project located approximately 180 km north of Lima, near the Pan-American Highway; and
- the Corisur claims (previously referred to as Huilacollo), which is comprised of several non-contiguous claims with a total land position of 13,865 hectares, located 52 km from Tacna.

Figure 1 – Demonstrates the locations of Tier One's properties within Peru.

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. The Company currently has agreements in place with communities surrounding the Curibaya and Hurricane projects, each which provides surface access for 2-year periods.

3.1 Impacts of COVID-19

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 only a minor delay in the Company's planned goals for 2021, 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 first half of the year, the Company advanced road access and camp infrastructure projects at Curibaya as well as commencing the planned drill program. 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 is comprised of approximately 17,000 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 related obligations from the former parent company, Fury Gold. Tier One has a 100% interest in the Curibaya project, which is comprised of numerous concessions acquired through staking efforts in 2015 and 2021, 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 Compañia 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.

In January 2021, the Company received its Environmental Permit, which allows the Company to drill up to 40 holes from 20 platforms. With this in hand the Company's primary focus in 2021 has been advancing the project towards a drill ready state preparing the camp, equipment and drill pads, securing a water supply for drilling, and conducting surface field work such as mapping, rock and channel sampling to derive drill targets.

In Q1 2021 rock sampling programs were conducted within the defined vein corridors that are situated above the chargeability and magnetics geophysical anomalies that were identified in the 2020 induced polarization ("IP") and airborne magnetics survey. Results from these rock samples continued to demonstrate the presence of high-grade silver and gold mineralization within veins. Rock sampling has aided in drill targeting to ensure drill holes test the third dimension of high grade mineralization and vein density.

Continued mapping and sampling in the first half of 2021 led to the expansion of the alteration and mineralization footprint 500 metres to the northeast at the main Curibaya target area, where the Company is anticipating results within the coming weeks. The Company may plan to extend the IP survey by 1.5 kilometres (km) north over the newly identified veins once assay results have been obtained. This survey would commence in the coming months with the goal of generating new targets that have the potential to be included under the current drill permit.

The Company commenced its inaugural drill program in mid-June. The drill plan includes 6,000 metres of diamond drilling and covers an area of approximately 2 km by 1.5 km in an area of strong alteration and high-grade surface mineralization that is underlain by a strong chargeability anomaly. Each drill hole has been planned to test multiple targets along its length. As of the date of this MD&A, the Company has drilled approximately 1,800 m over three holes with results expected in the coming weeks.

3.2.2 Corisur Claims (previously Huilacollo)

The Huilacollo epithermal property was comprised of five concession areas covering approximately 3,300 hectares of intense hydrothermal alteration. Tier One inherited the rights to the Huilacollo property from Fury Gold pursuant to the Transaction described in the Company's consolidated financial statements for the year ended December 31, 2020. The property included two concessions, Huilacollo 1 and Huilacollo 2, over which Tier One had an option agreement with a local Peruvian company, Inversiones Sol S.A.C. (the "Huilacollo Option").

On April 24, 2021, the Company, through its subsidiary, Corisur, gave notice to terminate the Huilacollo Option – effectively releasing the Huilacollo 1 and Huilacollo 2 concessions and has since been completing all work necessary to return the concessions to the optionor. The three Corisur Border Zone concessions, Tacora, Tacora Sur, and Andamarca, remain under the control and ownership of the Company (conditional on receipt of a Supreme Decree). Furthermore, the area also includes a group of additional concessions covering 12,565 hectares. Altogether, the total remaining land position is 13,865 hectares and will be referred to as the Corisur Claims. The annual holding costs for these claims are approximately US$42,000 and the Company is currently evaluating the exploration potential of this land package.

The Corisur Claims are located within the Border Zone situated within 50 km of the Peruvian-Chilean border. As a non-resident-owned company, Corisur's right to ultimately exploit these licenses or register its direct interests require approval from the Peruvian government in the form of a Supreme Decree. No assurance can be given with respect to the timing or certainty of receipt of a Supreme Decree.

The termination of the Huilacollo Option relieves the Company of certain option payment and work expenditure obligations related to the two surrendered concessions; however, Tier One still maintains the surface rights agreement, which was prepaid and expires in 2024. The termination of the option agreement has resulted in a mineral property impairment as well as other costs related to returning the concessions to the optionor.

3.2.3 Other

Emilia

As noted earlier in this MD&A, the Company entered an option agreement to acquire 100% of the Emilia project. Upon executing the agreement, Tier One paid US$150,000 and, in order to exercise the option, must make cash payments as follows:

Due Dates	Status	Property Payments (in '000 US$)	Work Expenditure (in '000 US$)
Effective Date (January 12, 2021)	Completed	150	-
June 18, 2021	Completed	125	-
December 18, 2021		125	100
December 18, 2022		600	240
December 18, 2023		1,300	-
December 18, 2024		2,300	-
December 18, 2025		5,400	-
Total		**10,000**	**340***

*The Company is required to incur work expenditures totaling US$340,000 as outlined above. However, should the Company utilize diamond drilling processes, the overall work expenditure requirement increases to US$800,000.

The Emilia project represents a considerable porphyry – IOCG opportunity covering 1,400 ha in an area where there are no local communities and instead the surface rights are governed by the Peruvian government. The principal target at Emilia is copper-gold mineralization situated beneath an intense zone of leaching and alteration. The Company believes only six drill holes have been completed on the project to-date, effectively leaving the project untested.

Tier One is currently awaiting the registration of the agreement with the Peruvian public registry in order to commence field work. Once the registration is completed, the Company plans to advance the project to drill stage through a ground-based IP survey, a property wide soil geochemical survey and geological mapping, rock, chip and channel sampling before submitting an application for a drill permit.

Hurricane Silver

The Hurricane Silver project was acquired by way of the the Pembrook Option that grants the Company the option to acquire Tororume, a subsidiary of Pembrook. Under the terms of the Pembrook Option, Tier One has the option to acquire 90% or 100% of the shares of Tororume by making certain payments to Pembrook and by incurring certain amounts of exploration work on the project within the five year period measured from a defined Access Date. The Access Date is the date by which the Company has secured the necessary surface rights and governmental permits ("Rights and Permits") to commence diamond drilling. If after using reasonable efforts to obtain the Rights and Permits for at least 12 months (from April 28,2021), and the Company still has not secured the needed Rights and Permits, it may then terminate the option anytime during the next 6 months without obligation. If it does not terminate by the end of the 18th month, then the Company is thereupon obligated to incur the first year of Committed Expenditures in the table below (or pay them to Pembrook in lieu) even if it has not yet obtained the Rights and Permits.

The following table outlines the required option payments (which the Company can choose to make in cash or Tier One shares) and the work expenditures required over the five year option period (starting from the Access Date).

Due Dates	Status	Option Payments (in '000 US$)	Work Expenditure (in '000 US$)
By April 28, 2021	Completed	84	-
1st Anniversary of Access Date		250	750
2nd Anniversary of Access Date		350	1,000
3rd Anniversary of Access Date		500	2,000
4th Anniversary of Access Date		1,000	3,000
5th Anniversary of Access Date		2,500	4,000
Total to acquire 90%		**4,684**	**10,750**
Payment to acquire final 10%		10,000	-
Total to acquire 100%		**14,684**	**10,750**

The property's numerous high-grade silver occurrences have been identified through first pass reconnaissance rock sampling of the Hurricane Silver project by a previous operator. The largest of these occurrences is located at the Magdalena prospect, which is characterized by a 1.5 km shear zone where multiple high-grade veins have been identified with chip sample values of up to 1.4 m of 1,175 g/t silver, 2.1 m of 792 g/t silver, 2.5 m of 589 g/t silver and 14 m of 100 g/t silver. Past grab samples from four additional prospects at the project demonstrate the potential for high-grade silver and base metal mineralization.

Tier One has recently reached a surface rights agreement with one of the local communities for a two-year period and is working towards establishing comparable agreements with other communities in the region. With this access in place, the Company plans to advance the project by conducting further reconnaissance style exploration, including geologic mapping, soil and rock sampling programs, as well as geophysical surveys to define drill targets across the property. An NI 43-101 compliant Technical Report on the Hurricane Silver project will be prepared before material expenditures are incurred.

Coastal Batholith

The Coastal Batholith project was staked primarily during the last quarter of 2020 and early 2021 and 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 that the same geology continues north of these deposits but that it 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.

Curibaya Channel Sampling
Analytical samples were taken from each 1-metre interval of channel floor resulting in approximately 2-3 kg of rock chips material per sample. Collected samples were sent to ALS Lab in Arequipa, Peru for preparation and then to Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with atomic absorption finish (Au-AA25) and multi-element four acid digest ICP-AES/ICP-MS method (ME-MS61). Where MS61 results were greater or near 10000 ppm Cu, 10000 ppm Pb or 100 ppm Ag the assay were repeated with ore grade four acid digest method (Cu, Pb, Ag-OG62). Where OG62 results were greater or near 1500 ppm Ag the assay were repeated with 30 g nominal weight fire assay with gravimetric finish (Ag-GRA21). QA/QC programs for 2021 channel samples using internal standard and blank samples; field and lab duplicates indicate good overall accuracy and precision.

Silver equivalent grades (AgEq) were calculated using a $1300/oz gold price and $18/oz silver price. AgEq = Ag (ppm) + Au (ppm) * (Ag $/troy oz/Au $/troy oz). No metallurgy recovers were used for the AgEq calculation.

Rock Sampling
Approximately 2-3 kg of material was collected for analysis and sent to ALS Lab in Arequipa, Peru for preparation and then to Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with ICP finish (Au-ICP21) and multi-element four acid digest ICP-AES/ICP-MS method (ME-MS61). Where ICP21 results were > 3 g/t Au the assay were repeated with 30 g nominal weight fire assay with gravimetric finish (Au-GRA21). Where MS61 results were greater or near 10,000 ppm Cu, 10,000 ppm Pb or 100 ppm Ag the assays were repeated with ore grade four acid digest method (Cu, Pb, Ag-OG62). Where OG62 results were greater or near 1500 ppm Ag the assay were repeated with 30 g nominal weight fire assay with gravimetric finish (Ag-GRA21). Where Ag-GRA21 results were greater or near 10,000 ppm Ag the assay were repeated with fire assay with gravimetric finish for concentrate (Ag-CON01). QA/QC programs for 2021 rock samples using company and lab duplicates, standards and blanks indicate good accuracy and precision in a large majority of standards assayed.

Cautionary Note Regarding Historical Hurricane Silver Grab, Chip and BLEG Samples and Related Matters

The historical grab, chip and BLEG samples from the Hurricane Silver project were collected by Compania de Exploraciones Orion SAC (2007-2009), a Pembrook Copper affiliate, and were included in a database obtained in connection with the transaction. Given the time interval, Tier One Silver has not assessed the validity of the QA/QC protocols that were followed in the collection of these samples. Accordingly, readers are cautioned about reliance on the accuracy or repeatability of this sampling. Sampling is of very limited geological significance and serves only to assist the development of a methodical exploration program involving geochemical, geophysical and ultimately diamond bit drill core drilling. There is no known mineral resource of commercial interest established at the Hurricane project.

The historical grab, chip and stream sediment samples from the Hurricane project were collected by Compania de Exploraciones Orion SAC (2007-2009). Tier One checked approximately 5% of the analytical data entries for the provided rock samples database against the signed PDF assay certificates from 2007, 2008, and 2009. No data entry errors were found. Tier One considers that the provided rock database is of a good quality.

Grab and Chip Samples
Tier One has conducted a 3 day field visit to visually confirm the presence of mineralized outcrops historically reported, with check reconnaissance sampling completed. Approximately 3-5kg of material was collected for analysis and sent to ALS Lab in Lima, Peru for preparation and analysis. All samples were assayed using 30g nominal weight fire assay. Platinum and Paladium were analyzed by ICP and MS (PGM-MS23); Gold was analyzed by ICP and AES finish (Au-ICP21), for samples assaying above 10 ppm from ICP21 the assay was repeated with 30g nominal weight fire assay with gravimetric finish (Au-GRA21). Silver and Base Metals were analyzed as part of the multi element package (ME-MS41), or to trace levels in 36 multi element package (ME-ICP41), In 2009, Silver analysis was completed by 30g fire assay with gravimetric finish (Ag-GRA21). Where MS41, ICP41 results were greater than 10,000ppm Cu, 10,000ppm Zn, 10,000ppm Pb or 100ppm Ag the assay was repeated with ore grade aqua regia digestion with AA finish (Cu-AA46; Zn-AA46; Pb-AA46; Ag-AA46 respectively).

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.

4. DISCUSSION OF OPERATIONS

Three months ended June 30, 2021, and 2020 (Q2 2021 vs. Q2 2020)

During the three months ended June 30, 2021, the Company reported a loss of $3,830,214 compared to a loss of $288,826 for the same period in 2020. Significant variances within operating expenses and other expenses, which in combination resulted in the $3,541,388 increase in the current period's loss, are discussed as follows:

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

Operating expenses

- Exploration and evaluation costs in Q2 2021 were $1,704,426 compared to $203,325 in Q2 2020, an increase of $1,501,101 primarily due to the increase in camp cost, permitting, environment community costs and the diamond drilling activities at the Curibaya project. In Q2 2021 the exploration and evaluation costs included $354,101 of share-based compensation expense compared to $20,637 of share-based compensation in Q2 2020.
- With respect to the increase in fees, salaries, and other employee benefits, marketing and investor relations, and regulatory and transfer agent costs in Q2 2021, the comparative information provided for Q2 2020 derives from carve-out financial statements prepared for the business of Curibaya and for which certain costs were carried by the former parent, Auryn Resources Inc (now Fury Gold). As a stand-alone business in Q2 2021 the costs incurred relate to corporate management team, corporate directors and investor communications. Fees, salaries and other employee benefits for the three months ended June 30, 2021 also includes $875,175 in share-based compensation in comparison to $nil in Q2 2020.
- Legal and professional fees were $222,411 in Q2 2021 compared to $18,531 in Q2 2020, representing an increase of $203,880 largely as a result of being a separate corporate entity. Tier One achieved its TSXV and OTCQB listings during the quarter which resulted in higher-than-normal legal fees related to the applications. Furthermore, as a publicly listed company, audit and review fees, as well as legal and other professional costs, are incurred to maintain these listings.
- Office and administration costs increased by $69,228 from $9,362 in Q2 2020 to $78,590 in Q2 2021, again relating to Tier One now being a separate entity.
- Project investigation costs were $33,184 in Q2 2021 compared to $nil in the comparative period, as the Company continues to evaluate new projects for potential exploration.

Six months ended June 30, 2021 and 2020 (YTD 2021 vs YTD 2020)

During the six months ended June 30, 2021, the Company reported a loss of $6,794,188 compared to a loss of $692,661 for the same period in 2020. Significant variances for the comparable six-month period are generally driven by the same factors discussed above for the three-month periods.

Summary of Project Costs

During the six months ended June 30, 2021, the Company incurred $612,746 of mineral property additions, $2,230,372 in exploration and evaluation costs on its projects and recorded an impairment of $1,689,719.

Mineral property interests	**Curibaya**	**Corisur**	**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
Mineral property additions	**29,470**	**-**	**583,276**	**612,746**
Mineral property impairment	**-**	**(1,689,719)**	**-**	**(1,689,719)**
Currency translation adjustment	**(17,322)**	**(38,264)**	**(6,734)**	**(62,320)**
Balance as at June 30, 2021	**$ 998,859**	**$ 807,036**	**$ 742,721**	**$ 2,548,616**

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

For the six months ended June 30, 2021, the Company's exploration and evaluation costs were as follows:

Exploration and evaluation	Curibaya	Corisur	Other	Total
Aircraft and Travel	**$ 68,117**	**$ 733**	**$ 12,315**	**$ 81,165**
Assaying	**38,046**	**-**	**74,560**	**112,606**
Camp cost, equipment and field supplies	**454,048**	**3,137**	**69,375**	**526,560**
Concession holding costs	**32,215**	**2,415**	**189,065**	**223,695**
Exploration drilling	**225,839**	**-**	**-**	**225,839**
Geological consulting services	**47,511**	**8,037**	**12,205**	**67,753**
Legal fees	**23,858**	**223**	**43,471**	**67,552**
Permitting, environmental and community	**196,833**	**47,214**	**5,424**	**249,471**
Salaries and wages	**225,799**	**11,251**	**84,580**	**321,630**
Stock-based compensation	**354,101**	**-**	**-**	**354,101**
Total for the six months ended June 30, 2021	**$ 1,666,367**	**$ 73,010**	**$ 490,995**	**$ 2,230,372**

Future operations and 2021 expenditure forecast

The Company began its inaugural drill program at Curibaya in June, following the receipt of the FTA drill permit earlier in 2021. To date, the Company has drilled approximately 1,800 m over three holes and is expecting results from the initial drill holes in the coming weeks.

The Company continues its community relation programs and in July reached a social agreement with one of the local communities at the Hurricane Silver project. The agreement, which the Company is in the process of having registered with the Peruvian authorities, provides surface access for a two-year period and allows field work to start mid-September. Meetings with other local communities are planned for later in Q3

In addition to advancing regional targets, the Company plans to complete the initial 6,000-metre drill program at Curibaya with the potential to increase to a 10,000-metre drill program with the current treasury, subject to results observed. The Company also plans to continue reconnaissance exploration work programs at the Hurricane Silver, Emilia and Coastal Batholith projects.

5. SUMMARY OF QUARTERLY RESULTS

Quarter ended	Net loss	Comprehensive loss	Loss per share
	$	$	$
June 30, 2021	3,830,214	3,866,342	0.03
March 31, 2021	2,963,974	3,007,733	0.03
December 31, 2020	1,547,047	1,741,748	0.02
September 30, 2020[1,2]	1,032,786	1,097,498	n/a
June 30, 2020[1,2]	288,826	404,860	n/a
March 31, 2020[1,2]	403,836	152,806	n/a
December 31, 2019[1]	659,631	715,240	n/a
September 30, 2019[1]	275,981	244,797	n/a

[1] Q4 2020 was the first quarter that the Company reported as a stand-alone entity and therefore all prior quarters losses are based on carve-out financial statements from Auryn (now Fury Gold). Since Tier One was incorporated on July 23, 2020, loss per share information for the three and six months ended June 30, 2020 is not applicable as Tier One did not exist as of June 30, 2020.

[2] As noted in note 4 to the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2021, the Company has re-presented Q1-Q3 2020 figures by recording an accrual for mining concession fees which also impacted the exploration and evaluation costs for each period.

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

During the last eight quarters, the Company's net loss has ranged between $275,981 and $3,830,214. Historically, the largest losses were generally recorded in the second and fourth quarters due to the timing of option payments, which typically occur in the second quarter, and the Company's summer exploration programs, 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 the rest of the year. Furthermore, the Company incurred additional expense in the fourth quarter of 2020 and first two quarters of 2021 arising from the corporate restructuring, the listing application process and the drilling activities at the Curibaya project.

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

	June 30, 2021	December 31, 2020
Cash	**$ 11,255,456**	$ 2,729,338
Accounts receivable	**29,132**	13,471
Mineral property interests	**2,548,616**	3,687,909
Current liabilities	**1,102,662**	483,774

The Company did not have any restricted cash nor did it have long-term liabilities at June 30, 2021 and December 31, 2020. The working capital balance at June 30, 2021 was $11,123,889 (December 31, 2020: $2,407,358). Contractual obligations as at June 30, 2021 are reflected in the table below and include accounts payable and accrued liabilities of $1,102,662.

Contractual Obligations as of June 30, 2021	**Payment terms**	**Amount**
Accounts payable and accrued liabilities	Immediately	$ 897,389
Costs related to Huilacollo Option termination	Within 12 months	205,273
Total		**$ 1,102,662**

During the six months ended June 30, 2021, the Company used cash of $3,985,686 in operating activities compared to $537,821 during the comparative period in 2020. The cash outflow during 2021 was higher than the cash outflow in 2020 due to the higher exploration activity on the Curibaya project as detailed above, as well as working capital cash outflows relating to incurring acquisition costs relating to the Hurricane Silver project, and marketing campaigns.

During the six months ended June 30, 2021, the Company used cash in investing activities of $612,746 whereas $231 was used in the same period in 2020. This current period cost was primarily due to the acquisition and subsequent scheduled payments on the Emilia option arrangement for $352,548 and Hurricane acquisition and staking costs totalling $221,031, as well as other eligible capitalized costs.

Funding from the non-brokered private placement financing was received during the six months ended June 30, 2021 and the Company received $nil compared to $708,140 during the comparative period in 2020, from its former parent company, Fury Gold to conduct its operations. The spin out from Fury Gold was completed in October 2020.

Management expects its cash-on-hand will be sufficient to pursue its activities for the next twelve months.

Capital Resources

The Company held cash of $11,255,456 at June 30, 2021 and had working capital of $11,123,889.

7. 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.

8. TRANSACTIONS WITH RELATED PARTIES

8.1 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.

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

	Three months ended June 30,				Six months ended June 30,			
		2021		2020		**2021**		2020
Universal Mineral Services Ltd								
Exploration and evaluation costs	**$**	**195,924**	$	27,579	**$**	**250,302**	$	99,112
Fees, salaries and other employee benefits		**122,036**		-		**208,338**		-
Legal and professional fees		**18,424**		-		**24,869**		-
Marketing and investor relations		**26,787**		-		**46,915**		-
Office and administration		**59,609**		-		**139,785**		-
Project investigation costs		**9,316**		-		**9,675**		-
Total transactions for the periods	**$**	**432,096**	$	27,579	**$**	**679,884**	$	99,112

Universal Mineral Services Ltd., ("UMS Canada") is a private company with two directors and two 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.

On April 1, 2021, Universal Mineral Services Peru S.A.C ("UMS Peru"), a company incorporated by UMS Canada under Peruvian law, commenced providing similar administrative and geological services to the Peruvian Subsidiaries. In order to comply with Peruvian transfer pricing rules, UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services.

During the three and six months ended June 30, 2021, $nil (three and six months ended June 30, 2020 – $20,637 and $61,085 respectively) of share-based compensation from Fury Gold were allocated to the Company.

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 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	Three and six months ended June 30, 2020
Risk-free interest rate	0.39%
Expected dividend yield	Nil
Share price volatility	58%
Expected forfeiture rate	0%
Expected life in years	4.90

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.

8.2 Related party balances

As at June 30, 2021, $202,887 (December 31, 2020 - $96,293) was included in accounts payable and $470,008 (December 31, 2020 - $50,000) was in prepaid expenses and deposits relating to transactions with UMS Canada.

As at June 30, 2021, $57,648 (December 31, 2020 -$nil) was included in accounts payable and $167,261 (December 31, 2020 -$nil) was in prepaid expenses and deposits relating to transactions with UMS Peru.

There was $nil (December 31, 2020 - $84,000) included in accounts payable and accrued liabilities owed to Fury Gold related to the closing cash pursuant to the Transaction.

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

8.3 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:

		Three months ended June 30, 2021		Six months ended June 30, 2021
Salary and benefits provided to executives	$	**186,599**	$	**347,353**
Directors fees paid to non-executive directors		**47,433**		**100,739**
Share-based compensation		**980,593**		**980,593**
	$	**1,214,625**	**$**	**1,428,685**

9. SUBSEQUENT EVENT

There were no subsequent events after June 30, 2021 and up to the date of this MD&A.

10. 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:

10.1 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.

As at June 30, 2021, the Company recorded a provision for costs relating to the termination of the Huilacollo option. The provision amount of $205,273 is based on management's best estimate of the costs that will be incurred to complete the work required to return the concessions to the optionor and has been recorded within accounts payable and accrued liabilities on the condensed consolidated interim statement of financial position.

10.2 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 June 30, 2021 and December 31, 2020.

10.3 Share-based compensation

The Company determines the fair value of stock options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

for the Three and Six Months Ended June 30, 2021 (In Canadian dollars, unless otherwise noted)

The fair value of the share-based options granted during the three and six months ended June 30, 2021, were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	Three and six months ended June 30, 2021
Risk-free interest rate	**0.85%**
Expected dividend yield	**Nil**
Share price volatility	**69%**
Expected forfeiture rate	**1.64%**
Expected life in years	**4.52**

10.4 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.

10.5 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.

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company confirms that it has adopted and continued the same accounting policies that were disclosed in the consolidated financial statements for the year ended December 31, 2020, and 2019, except for the adoption of Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). This amendment had no impact on the condensed consolidated interim financial statements.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2021, the Company's financial instruments consist of cash, accounts receivable, deposits, accounts payable 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 condensed consolidated interim financial statements.

13. OTHER REQUIRED DISCLOSURE

13.1 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 August 25, 2021: 125,794,897
Number of common shares issued and outstanding as at June 30, 2021: 125,794,897

Number of share purchase options outstanding as at August 25, 2021: 8,100,625
Number of share purchase options outstanding as at June 30, 2021: 8,100,625

13.2 Disclosure controls and procedures

Details relating to disclosure controls and procedures, and internal control over financial reporting, are disclosed in the Company's MD&A for the year ended December 31, 2020.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining effective internal control over financial reporting. All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During the three months ended June 30, 2021, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

On behalf of the Board of Directors,

"Peter Dembicki"
Peter Dembicki
President, Chief Executive Officer and Director
August 25, 2021