

Fiore Gold Announces Fiscal Q1 2021 Results

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VANCOUVER, February 23, 2021 - [Fiore Gold Ltd.](#) (TSXV:F)(OTCQB:FIOGF)(FSE:2FO) ("Fiore" or the "Company") is pleased to announce that its financial statements and management's discussion and analysis for the first fiscal quarter ("Q1 2021") ended December 31, 2020, have been filed with the securities regulatory authorities and are available at www.sedar.com and on the Company's website at www.fioregold.com.

Fiscal Q1 2021 Highlights

(all figures in U.S. dollars unless otherwise indicated)

Operating & Financial

- Q1 gold production of 9,204 ounces, reflecting guided lower production in first half of fiscal 2021
- Gold sales of 9,210 ounces at an average realized price of \$1,868 per ounce
- Mined ore production in Q1 of 14,586 tons per day with a stripping ratio of 1.0:1.0 and grade of 0.49 grams/tonne
- Q1 cash costs per ounce sold¹ of \$923, a \$102 per ounce decrease relative to Q1 2020 reflecting the expected benefit of a decreasing stripping ratio and consistent crusher operations
- Q1 Pan Mine AISC¹ per ounce sold of \$1,019 and Q1 2021 Fiore consolidated AISC¹ of \$1,219
- Recorded quarterly revenues of \$17.2 million with mine operating income of \$7.3 million
- Generated Pan operating cash flow¹ of \$5.7 million and consolidated operating cash flow of \$3.0 million
- Net income of \$4.5 million and net earnings per share of \$0.05 per share
- Closing cash balance of \$19.2 million at December 31, 2020, a reduction in cash from September 30, 2020 as we invest in the expansion of the Pan heap leach pad to accommodate added mine life, and on-going drilling and Feasibility Study activities to advance Gold Rock
- One-million hours worked at the Pan Mine without a lost time injury achieved subsequent to quarter-end
- 69,940 total site hours worked in Q1 with no reportable incidents and zero lost-time injuries

Organic Growth

- Following the completion of the Gold Rock Preliminary Economic Assessment, we are conducting a program of resource expansion, metallurgical, geotechnical and condemnation drilling in support of a Gold Rock Feasibility Study. First drill results were announced in November 2020, headlined by 48.8 metres of 2.17 g/t gold and 32.0 metres of 1.41 g/t gold.
- Subsequent to quarter-end, a second set of Gold Rock drill results were issued in January 2021 headlined by 19.8 metres of 1.33 g/t gold and 12.2 metres of 1.75 g/t gold. These drill results continue to demonstrate strong intervals of oxide gold mineralization both within and outside of the current resource pit shells.

¹ This is a non-IFRS financial measure. Please refer to "Non-IFRS Financial Measures" at the end of this news release for a description of these non-IFRS financial measures and to the Non-IFRS Financial measures in the December 31, 2021 Management's Discussion and Analysis for a reconciliation to operating costs from the Company's interim financial statements.

Tim Warman, Fiore's CEO commented, "The first fiscal quarter of 2021 was another strong one with earnings of \$0.05 per share and solid operating cash flow. We maintained a healthy cash balance of \$19.2 million while continuing to invest in the growth of our Nevada assets. With drilling at Gold Rock underway to progress the project to feasibility and the construction of the third leach pad expansion at Pan, following an expansion of resources and reserves, we expect these capital investments to deliver continued growth to our shareholders while positively impacting the local communities where we operate."

Gold production of 9,204 ounces was a 5% increase over fiscal Q1 2020, although lower than fiscal Q4 2020. The decrease in production compared to fiscal Q4 2020 was due to fewer ore tons placed, lower ore grade and timing of gold recovery. Gold extraction on the leach pad was also temporarily impacted by a drop in the pH and alkalinity of the leach solution. With the start-up of the crushing circuit in fiscal 2020, we changed our operating practices to switch from lime to cement addition for pH control, as cement brings the added benefit of reducing the migration of fines within the leach pad. However, after having time to sufficiently observe leaching under this practice, we determined that cement addition alone appears insufficient to maintain the proper pH for optimal gold leaching. Lime addition has been reinstated as a standard operating practice and this has begun to bring the leach solution pH back towards optimal ranges for effective gold leaching.

As guided, 2021 will be a year of significant reinvestment to support the longevity of the Pan Mine and to continue advancing Gold Rock. We recently announced a two-year mine life extension at Pan, and we are immediately investing in expanding the heap leach capacity to support this extension. We spent \$3.8 million on capital additions in the quarter, primarily the Pan Mine heap leach pad expansion, which is expected to be ready for ore stacking in fiscal Q3. At Gold Rock, we continued with our resource expansion drilling and related Feasibility Study work spending \$3.0 million in the quarter. We are pleased with initial drill results as they continue to expand the oxide mineralization at Gold Rock.

We continue to recognize the inherent risk posed by COVID-19. The health and safety of our employees comes first, and we have put a range of operating protocols in place to reduce the risk to them. While there have been a few positive cases of COVID-19 at the Pan Mine, effects of this have not had a meaningful impact on production. Through enhanced safety measures, we believe we have minimized cases and impacts of COVID-19.

Review of Operating Results

Operating Results	Three Months Ended December 31,	
	2020	2019
Ore Mined	1,341,945	1,406,656
Waste Mined	1,310,581	2,490,412
Total Mined	2,652,526	3,897,068
Gold Ounces Mined	19,317	20,649
Ore Grade Mined	0.014	0.015
Ore Grade Mined	0.408	0.416
Strip Ratio	1.0	1.8
Gold Ounces Produced	9,204	8,750
Gold Ounces Sold (Payable)	9,210	9,093
Average Realized Price	1,868	1,437

Total Cash Cost	\$/oz	923	1,025
per Ounce			
Cost of Sales	\$/oz	1,080	1,178
per Ounce			
Pan Mine AISC	\$/oz	1,019	1,115
per Ounce			
Fiore Consolidated AISC	\$/oz	1,219	1,248
per Ounce			

Ore tons mined was slightly lower than prior year quarter but remains above target at 14,586 tons per day. At a gold grade of 0.408 g/t, we mined 19,371 ounces in the quarter. Gold production at 9,204 ounces is higher than the prior year quarter but lower than fiscal Q4 2020 for the reasons noted above.

Cash cost per ounce sold¹ for Q1 2021 was \$923 per ounce, a \$102 per ounce decrease relative to the prior year quarter due particularly to a lower stripping ratio. Stripping for the full year fiscal 2021 is guided at approximately 1.6:1.0. Q1 2021 Pan Mine AISC¹ per ounce sold was \$1,019 and Fiore Consolidated AISC¹ per ounce sold was \$1,219. The Fiore Consolidated AISC¹ includes an increase in corporate general and administrative expense driven by an increase in insurance costs, salary and benefit expenses and higher stock-based compensation expense tied to the recent grant of restricted stock units. This is in part impacted by additional corporate costs to support the Gold Rock project.

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Q1 2021 Financial Results

Financial Results of Operations	Three Months Ended December 31,	
	2020	2019
Select Items - On a Consolidated Basis	\$000's	\$000's
Revenue	17,209	13,074
Mine Operating Income	7,263	2,365
Income from Operations	5,315	449
Operating Cash Flow	3,026	88
Unrealized Gain on Derivatives, net	-	399
Net Income	4,496	588
Adjusted Net Earnings ¹	4,492	189
Financial Position as of:	December 31, 2021	September 30, 2020
Select Items - On a Consolidated Basis	\$000's	\$000's
Cash	19,224	23,207
Inventories	29,493	26,256
Total Current Assets	49,978	50,786
Mineral Property, Plant and Equipment, net	14,900	11,412

Total Assets	80,070	75,770
Total Current Liabilities	(10,478)	(10,793)
Long-Term Liabilities	(6,950)	(7,231)
Working Capital Surplus	39,500	40,043

Relative to the prior year quarter, Fiore demonstrated improvements on all profitability and cash flow measures noted above. This was primarily due to higher realized gold prices and lower operating costs as the stripping ratio decreased.

Our liquidity and financial position remain strong with a cash balance of \$19.2 million and working capital of \$39.5 million. Refer to the Company's MD&A and Financial Statements for additional information. Our financial strength puts Fiore in a good position to continue to progress our growth assets.

Corporate Strategy

Our corporate strategy is to grow Fiore Gold into a 150,000 ounce per year gold producer. To achieve this, we intend to:

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

Qualified Person

The scientific and technical information contained in this news release relating to Fiore Gold's Pan Mine was approved by J. Ross MacLean (MMSA), Fiore Gold's Chief Operating Officer and a "Qualified Person" under National Instrument 43-101.

On behalf of [Fiore Gold Ltd.](#)

"Tim Warman"
Chief Executive Officer

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Non-IFRS Financial Measures

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

"Adjusted net earnings" and "adjusted net earnings per share" are non-IFRS financial performance measures. Adjusted net earnings excludes the following from net earnings: certain impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments; gains (losses)

and other one-time costs relating to acquisitions or dispositions; foreign currency translation gains (losses); significant tax adjustments not related to current period earnings; unrealized gains (losses) on non-hedge derivative instruments; and the tax effect and non-controlling interest of these items. The Company uses this measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings are a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

We have adopted "all-in sustaining costs" measures for the Pan Mine and Fiore as a consolidated group, consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate free cash flow from current operations and our overall value. These measures are helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporates costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation, non-sustaining capital expenditures, non-sustaining exploration expense and other items needed to normalize earnings. Therefore, these measures are not indicative of our cash expenditures or overall profitability.

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

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

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

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

Cautionary Note Regarding Forward Looking Statements

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to future operations, expected production, expected costs, expected financial performance and liquidity, expectations for growth, investments in the Company's Nevada assets and expected capital expenditures, estimates of mineral resources and reserves, that changes to operating practices will bring and maintain leach solution pH to

optimal ranges, expectations regarding construction and operation of the leach pad expansion, effectiveness of protocols in response to the COVID-19 pandemic, all of the future planned development and estimates described in the Gold Rock PEA, Gold Rock drilling and development plan, funding for Gold Rock development, expectations and timing for a Gold Rock Feasibility Study, company outlook, goal to become a 150,000 ounce producer, goal to acquire additional production or near production assets, and other statements, estimates or expectations. Often, but not always, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "targets", "forecasts", "intends", "anticipates", "scheduled", "estimates", "aims", "will", "believes", "projects" and similar expressions (including negative variations) which by their nature refer to future events. By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fiore Gold's control. These statements should not be read as guarantees of future performance or results. Forward looking statements are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated geological formations, potential mineralization, future plans for exploration and/or development, potential future production, ability to obtain permits for future operations, drilling exposure, and exploration budgets and timing of expenditures, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Fiore Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but not limited to, risks related to the Pan Mine performance; risks related to the COVID-19 pandemic, including government restrictions impacting our operations, risks the pandemic poses to our work-force, impacts the virus may have on ability to obtain services and materials from our suppliers and contractors; risks related to the company's limited operating history; risks related to international operations; risks related to general economic conditions, actual results of current or future exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals including gold; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in ore reserves, grade or recovery rates; uncertainties involved in the interpretation of drilling results, test results and the estimation of gold resources and reserves; failure of plant, equipment or processes to operate as anticipated; the possibility that capital and operating costs may be higher than currently estimated; the possibility of cost overruns or unanticipated expenses in the work programs; availability of financing; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of exploration, development or construction activities; the possibility that required permits may not be obtained on a timely manner or at all; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which Fiore Gold operates, and other factors identified in Fiore Gold's filings with Canadian securities authorities under its profile at www.sedar.com respecting the risks affecting Fiore and its business. Although Fiore has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward-looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. Fiore disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information.

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