



**MONTAGE GOLD CORP.**

**FIRST QUARTER REPORT**

**For the Three Months Ended**

**March 31, 2021**

**MONTAGE GOLD CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE MONTHS ENDED MARCH 31, 2021**  
**(Amounts in Canadian Dollars unless otherwise indicated)**

The following management's discussion and analysis ("MD&A") of Montage Gold Corp. ("Montage" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The effective date of this MD&A is May 25, 2021. Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.montagegoldcorp.com](http://www.montagegoldcorp.com).

## **BUSINESS OVERVIEW**

Montage is a Mineral Resource company engaged in the exploration and development of mineral properties in Côte d'Ivoire which include the Koné Gold Project (previously named the Morondo Gold Project), the Korokaha Gold Project, and the Bobosso Gold Project (collectively, the "Montage Properties"). As at the date hereof, Montage's sole material asset is the Koné Gold Project. The Company has not yet determined whether the Montage Properties contain Mineral Reserves that are economically recoverable. The continued operations of Montage and the recoverability of the amounts shown for the Montage Properties is dependent upon, among other things, the existence of economically recoverable Mineral Reserves, the ability of Montage to obtain necessary financing to complete the exploration and development of such properties and upon future profitable production from or disposition of such properties.

Montage Gold Corp. was incorporated under the Business Corporations Act (British Columbia) on July 4, 2019, as a wholly-owned subsidiary of Orca Gold Inc ("Orca").

On July 17, 2019, Montage, Avant Minerals Inc ("Avant"), and Progress Minerals International Inc ("Progress") entered into the Share Purchase Agreement that contemplated the consolidation of: (i) the mineral interests of Orca located in Côte d'Ivoire; (ii) the mineral interests of Avant located in Côte d'Ivoire and Burkina Faso; and (iii) cash held by Avant.

On July 23, 2019, pursuant to the Orca Spin-Out: (i) all of the shares of Ghazal Resources Inc., a former indirect wholly-owned subsidiary of Orca, were transferred to Montage; and (ii) Montage issued 33,000,000 Common Shares to a subsidiary of Orca, which were subsequently transferred to and are now held by Orca.

On August 27, 2019, Montage, Avant, and Progress completed the Avant Transaction pursuant to the Share Purchase Agreement. Under the Avant Transaction, Montage acquired all of the issued and outstanding shares of Progress Minerals, being a wholly-owned subsidiary of PMII and an indirect subsidiary of Avant, existing under the laws of the British Virgin Islands, in exchange for 22,000,000 Common Shares.

On August 27, 2019, the Montage Shareholders Agreement was entered into among Montage, Orca, and Progress and Montage completed a private placement of \$8.2 million, pursuant to which Montage issued 18,226,374 Common Shares at \$0.45 per share. Additionally, 250,000 Common Shares were issued as an advisory fee in respect of the Avant Transaction at deemed price of \$0.40 per Common Share. Following this transaction Orca's ownership in Montage decreased to 45%, however Montage remained a subsidiary of Orca based on Orca's ability to control the appointment of key management personnel, make operating decisions and also its level of representation on the board of directors.

On October 23, 2020, Montage closed its initial public offering of an aggregate of 27,272,728 common shares at a price of \$1.10 per share for total proceeds of \$30 million and commenced trading on the TSXV under the ticker symbol MAU. Montage granted the underwriters an over-allotment option exercisable in whole or in part at their sole discretion for a period of 30 days following the closing of the offering, to purchase up to an additional 15% of the common shares at the offering price issued as part of Montage's initial public offering. On October 30, 2020 the underwriters fully exercised their over-allotment option to acquire an additional 4,090,909 shares at the offering price resulting in additional aggregate gross proceeds of approximately \$4.5 million.

Following the Montage IPO, Orca's percentage ownership in Montage decreased from 45% to 31.5% and Orca entered into a new investor rights agreement with Montage replacing the initial shareholders agreement between Orca and Avant. Under the investor agreement Orca has the right to appoint a single director to the board of directors if it has a 10% ownership percentage in Montage and can appoint up to three directors if it has a 20% ownership interest in Montage. With Orca's reduced board representation and ownership percentage, Orca has significant influence, rather than control over the Company and Orca has reported the results of Montage as an associate using the equity method effective October 23, 2020.

On November 3, 2020 Montage completed the disposal of its 51% interest in its Burkina Faso properties to Predictive Discovery Limited ("Predictive") in exchange for 4,028,477 Predictive shares with a fair value of \$0.2 million.

## **Q1 2021 OPERATING HIGHLIGHTS**

The Company commenced a 35,000m infill drilling program at the Koné Gold Project in January. The primary focus of the Company is the Koné Gold Project which includes the Koné deposit that is host to an Inferred Mineral Resource of 123Mt at a grade of 0.80 g/t for 3.16 Moz of gold at 0.40g/t cut-off grade. The Company's infill drilling program is aimed at upgrading the Inferred Mineral Resource at Koné to the Indicated category by the end of 2021. The Indicated Mineral Resource Estimate is to support the Company's Feasibility Study, which is planned to be released by the end of 2021. At the end of March 2021 the drill campaign had completed 26,219m of diamond drilling and 18,318m of RC drilling.

The Company also completed a number of workstreams including the hydrological, geotechnical and metallurgical and engineering work for the Preliminary Economic Assessment ("PEA"), the summary which has been announced via press release on May 25, 2021. Environmental baseline work was underway in Q1 and the Company is expected to submit its Environmental and Social Impact Assessment to the Côte d'Ivoire government in late 2021. Total exploration costs were \$7.3 million (2020: \$1.3 million), with 87% being drilling and sampling costs. Prior year exploration costs for Q1 2020 included \$0.5 million for Burkina Faso.

## **OUTLOOK**

The Company continues to manage and respond to the COVID-19 pandemic and has implemented preventative measures to ensure the safety of its workforce, local communities and other key stakeholders. The Company has not experienced delays to its drilling program at K297oné as a result of COVID-19, however the situation in Côte d'Ivoire as a result of the COVID-19 pandemic continues to evolve and it is possible that prior restrictions will be put back in force, or new restrictions introduced that may require the Company to cease exploration activities.

Given the uncertainty of the duration and magnitude of the impact of COVID-19 there may be a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company, including its ability to raise additional financing.

Based on the results of the infill drilling program, the Company has expanded its 35,000m drill program to 55,000m. The expanded program will focus on drilling below the Koné resource and advancing the evaluation of other mineral properties in Côte d'Ivoire as part of its growth strategy. The Company is planning to complete its Feasibility Study by the end of 2021.

The Company released the summary results from its PEA on May 25, 2021, demonstrating a large-scale, long-life, low-cost mining project centred around the Koné deposit. Over the projected 14.7 year project life, more than 3Moz of gold will be produced at all-in sustaining costs of \$975 per ounce. Annual gold production will average 205,000 ounces per annum over life of the project, with peak production at approximately, 308,000 ounces in years 2 and 3 of the project. Economic analysis run using \$1,600 per oz gold price yields results with an after-tax NPV<sub>5%</sub> of \$652 million and IRR of 31% (calculated on a 100% basis). Pre-production capital is estimated at approximately \$490 million to build the project which will include an 11Mtpa processing facility. The Company will continue to advance the project from the PEA stage through to Feasibility and will also be submitting the necessary applications to permit the project, with submission of the ESIA and mining permit application expected in Q4 2021.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Mar - 21	Dec - 20	Sept - 20	June -20	Mar - 20	Dec -19	Sept -19	June -19
Revenue (\$000's)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exploration costs (\$000's)	7,315	3,374	1,551	905	1,340	1,540	468	416
Total net loss (\$000's)	8,153	5,254	2,230	1,165	1,739	2,582	1,047	666
Net loss attributed to the Company's shareholders (\$000's)	8,153	5,585	2,189	1,111	1,503	2,332	1,019	666
Net loss per share attributed to the Company's shareholders basic and diluted (\$)	0.08	0.06	0.03	0.02	0.02	0.08	0.02	0.02
Total assets (\$000's)	41,013	46,694	18,269	19,653	20,361	21,935	23,568	5,618
Total current financial liabilities (\$000's)	4,544	2,118	863	577	643	863	385	54

As a junior mining company, Montage has no expectation of generating operating profits until it develops a commercially viable mineral deposit.

Operating performance to July 23, 2019 includes results from operations and cash flows of Orca, which are deemed to be attributable to the Company. Management was required to make certain judgements, including the use of relative levels of exploration activity during any given period as a reasonable basis to allocate common expenses. These Orca results from operations and cash flows were allocated to the Company for the period until the acquisition of assets from Orca on July 23, 2019.

During Q1, 2019 exploration activity was advanced at the Koné Prospect in the Morondo Exploration Permit and commenced work in the Korokaha North Exploration Permit, identifying a broad soil anomaly in the southern portion of the permit.

During Q2, 2019 exploration work in the Morondo Exploration Permit included a pitting program to test the extensions to the known mineralisation. Work in the Korokaha North Exploration Permit included a mechanised auger program to test various areas of anomalism in the soil geochemistry in the northern part of the permit.

During Q3, 2019, the Company entered into a sale and purchase agreement with Avant pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso to Montage. The Company continued with its drilling operations at Koné with a 5,000m aircore program and the commencement of a 5,000m of combined reverse circulation and diamond core drilling.

During Q4, 2019 the company continued work at the Koné Prospect, identifying a high-grade anomaly 8 km east of Koné. The Company placed the Burkina Faso assets on care and maintenance.

During Q1, 2020, exploration activity was comprised of 574.6m of core drilling and 2,687m of shallow reverse circulation drilling in the Morondo Exploration Permit and a short sampling program on the Korokaha North Exploration Permit. As a result of the COVID-19 pandemic the Company ceased operations in the Morondo Exploration Permit on March 27, 2020 based on the government's guidelines and health authorities imposing restrictions in the country. During Q2 on May 20, 2020 based upon Government's guidelines and lifting of restrictions by health authorities, Montage recommenced its exploration at Koné. The Company also completed some work at the Wendéné Exploration Permit.

Following completion of the initial public offering in October 2020, Montage commenced a drill campaign designed to expand Inferred Mineral Resources at the Koné Gold Project. Following completion of that drill

program an updated Inferred Mineral Resource estimate was calculated and released on January 28, 2021 which comprised of 128Mt grading 0.80g/t for 3.16Moz of gold at a cut-off grade of 0.40g/t.

The Company completed its exit from Burkina Faso following the sale of its entities to Predictive Discovery Limited on November 3, 2020, reporting a loss from discontinued operations of \$0.4 million.

During Q1, 2021 the Company advanced its drilling campaign at the Koné Gold Project as well the required studies and workstreams for the completion of the PEA. Total exploration costs were \$7.3 million (2020: \$1.3 million), with 87% being drilling and sampling costs. Prior year exploration costs for Q1 2020 included \$0.5 million for Burkina Faso.

Administration costs, excluding share-based compensation, for the period ended March 31, 2021 was \$0.5 million (2020: \$0.3 million). The increase in administration costs is largely due to an increase in management costs following the Company's IPO.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2021, the Company had a consolidated cash balance of \$27.6 million (December 31, 2020: \$32.8 million). The majority of proceeds are being used to advance work related to its exploration and drilling program at the Koné Gold Project and for advancing exploration on other permits for growth.

The source and use of funds from the Company's IPO on October 23, 2020 to March 31, 2021 compared to the amounts disclosed in the prospectus are as follows.

	Montage Prospectus	Actual Expenditure Period to March 31, 2021
<b>Total Source of Funds</b>	<b>31,955,066</b>	<b>36,759,237</b>
<b>Expenditures</b>		
Koné Gold Project Phase I: Preliminary Economic Assessment	6,500,000	4,287,195
Koné Gold Project Phase 2: Feasibility Study	11,400,000	5,304,607
Other exploration on Montage Properties	900,000	70,249
Cote d'Ivoire indirect operating costs and overhead	4,400,000	1,832,733
General corporate and working capital purposes	8,755,066	2,185,127
<b>Total</b>	<b>31,955,066</b>	<b>13,679,911</b>

The Company's source of funds was \$4.8 million higher than projected in the prospectus, due to the underwriters fully exercising their overallotment option to acquire an additional 4.1 million shares for gross proceeds of \$4.5 million.

Montage expenditures to March 31, 2021 were approximately \$13.7 million. The PEA was completed on the timeline contemplated at a saving of approximately \$2.0 million compared to the prospectus projected use of funds. These savings are expected to be spent on the Company's increased 55,000m drill program as part of the feasibility study and exploration on other Montage properties. In addition the Company's general corporate expenses since the closing of the Offering to the end of the first quarter were less than anticipated resulting in saving of approximately \$1.0 million.

## RELATED PARTY TRANSACTIONS

The related party with which the Company has transacted during the three months to March 31, 2021 was Geodex Consultants Ltd. ("Geodex"). Geodex is related by virtue of their proprietor being a director and officer of the Company. Montage is an associate of Orca and therefore Orca is a related party. There were no related party transactions between Orca and Montage during the year.

### a) Services received from related parties

		<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Geological consulting	Geodex	7,224	6,447
<b>Total services received from related parties</b>		<b>7,224</b>	<b>6,447</b>

### b) Related party balances

The Company had no amounts due to related parties as at March 31, 2021 and December 31, 2020.

### c) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The remuneration of key management personnel is as follows:

	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Salaries and management fees	221,051	136,059
Short term benefits	20,190	1,272
Directors fees	65,625	-
Stock-based compensation	209,908	89,316
<b>Total key management compensation</b>	<b>516,774</b>	<b>226,647</b>

### MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain financial risks, including currency, credit, and liquidity risk.

#### a) Currency risk

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

As at March 31, 2021, the Company did not have any material foreign currency risk exposure at its operations Cote d'Ivoire or its corporate office in Canada.

#### b) Credit risk

As at March 31, 2021, the majority of the Company's cash was held through Canadian institutions with investment grade ratings.

#### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs. The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

The maturities of the Company's financial liabilities as at March 31, 2021 are as follows:

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	4,543,910	4,543,910	-	-
<b>Total</b>	<b>4,543,910</b>	<b>4,543,910</b>	-	-

### **OUTSTANDING SHARE DATA**

As at the date of this MD&A, the Company had 105,040,004 Common Shares issued and outstanding and 8,750,000 Options outstanding under the Stock Option Plan.

### **QUALIFIED PERSON**

The technical contents of this MD&A have been reviewed by Hugh Stuart, C.Geol, FGS, a Qualified Person pursuant to NI 43-101. Mr. Stuart holds the position of Chief Executive Officer of the Company. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

### **RISKS AND UNCERTAINTIES**

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. The material risks and uncertainties, should be taken into account in assessing the Companies activities are described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF"). Any one or more of these risks and uncertainties could have a material adverse effect on the Company.

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION**

Certain of the statements made and contained herein are forward-looking information or forward-looking statements within the meaning of applicable Canadian securities laws, including statements regarding Montage's (the "Company", the "Corporation", "we" or "our") plans and expectations relating to its exploration assets in Côte d'Ivoire. Such forward-looking information or forward-looking statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralisation that will be encountered if the property is developed. The assumptions, risks and uncertainties outlined below are non-exhaustive. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Corporation or its properties and projects may vary materially from those described herein.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including without limitation, assumptions about the following (the "Forward-Looking Factors"): future prices of gold and other metals; successful exploration, development, and production; performance of contractual obligations by counterparties; operating conditions; political stability; obtaining governmental approvals and financing on time; financial projections and budgets; obtaining licenses and permits; government regulation of the Corporation's mining activities; environmental risks and expenses; market conditions; the securities market; price volatility of the Corporation's securities; currency exchange rates; foreign mining tax regimes; financial projections and results; competition; availability of sufficient capital, infrastructure, equipment and labour; litigation; land title issues; local community issues; estimation of mineral resources; realization of mineral resources; timing and amount of estimated future production; the life of mine; reclamation obligations; changes in project parameters as plans continue to be evaluated; and anticipated costs and expenditures and our ability to achieve the Corporation's goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, many of which are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, known and unknown risks, uncertainties and other factors relating to the Forward-Looking Factors above, and those factors disclosed under the heading "Risk Factors" in the Corporation's most Long Form Prospectus available at <http://www.sedar.com> and the Corporation's other continuous disclosure documents filed from time to time with the securities regulators in the provinces of Canada.

In addition, a number of other factors could cause the actual results, performance or achievements of the Corporation to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, and there is no assurance that the actual results, performance or achievements of the Corporation will be consistent with them. Although the Corporation has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this management's discussion and analysis and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

# **Montage Gold Corp.**

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

**Montage Gold Corp.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 27,623,237	\$ 32,751,159
Receivables and other assets (Note 3)	898,500	975,988
	<u>28,521,737</u>	<u>33,727,147</u>
Equipment (Note 4)	407,964	382,919
Mineral properties (Note 5)	12,063,748	12,561,587
Other assets	19,842	22,070
	<u>\$ 41,013,291</u>	<u>\$ 46,693,723</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,543,910	\$ 2,117,799
<b>EQUITY</b>		
Equity attributed to common shareholders		
Share capital	65,410,020	65,410,020
Contributed surplus	936,023	667,783
Accumulated other comprehensive income	(648,864)	(21,074,869)
Deficit	<u>(29,227,798)</u>	<u>(427,010)</u>
	<u>36,469,381</u>	<u>44,575,924</u>
	<u>\$ 41,013,291</u>	<u>\$ 46,693,723</u>

Approved by the Board of Directors

(signed) "Peter Mitchell"  
Director

(signed) "Richard P. Clark"  
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Montage Gold Corp.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Administration costs (Note 7)	\$ 681,050	\$ 388,881
Exploration and project investigation costs (Note 8)	7,315,300	1,339,791
Foreign exchange loss (gain)	156,579	(34,535)
Interest income	-	46,679
Net loss for the period	<u>\$ 8,152,929</u>	<u>\$ 1,740,816</u>
Net loss for the period attributed to:		
Common shareholders of the Company	\$ 8,152,929	\$ 1,504,450
Non-controlling interest	-	236,366
	<u>\$ 8,152,929</u>	<u>\$ 1,740,816</u>
Net loss for the period	\$ 8,152,929	\$ 1,740,816
Items that may be subsequently reclassified to net loss:		
Loss (gain) on translation to presentation currency	269,925	(920,775)
Items that will not be subsequently reclassified to net loss:		
Change in fair value of marketable securities	(48,071)	-
Comprehensive loss for the period	<u>\$ 8,374,783</u>	<u>\$ 820,041</u>
Comprehensive loss for the period attributed to:		
Common shareholders of the Company	\$ 8,374,783	\$ 583,675
Non-controlling interest	-	236,366
	<u>\$8,374,783</u>	<u>\$ 820,041</u>
Basic and diluted loss per common share	<u>\$ 0.08</u>	<u>\$ 0.02</u>
Basic and diluted weighted average number of shares outstanding	<u>104,940,011</u>	<u>73,474,374</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**Montage Gold Corp.**  
**Condensed Interim Consolidated Statement of Cash Flows**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Cash flows from (for) operating activities		
Net loss for the period	\$ (8,152,929)	\$ (1,740,816)
Add non-cash items		
Depreciation of equipment (Note 4)	36,770	32,989
Stock-based compensation expense (Note 6)	268,239	155,068
	<u>(7,847,920)</u>	<u>(1,552,759)</u>
Changes in non-cash working capital items		
Receivables and other assets	119,191	(16,678)
Accounts payable and accrued liabilities	2,609,703	(50,912)
	<u>(5,119,026)</u>	<u>(1,620,349)</u>
Cash flows for investing activities		
Purchase of equipment	<u>(80,959)</u>	-
Cash flows from financing activities	<u>-</u>	<u>-</u>
Foreign exchange on cash and cash equivalents	<u>72,063</u>	<u>71,688</u>
Increase (decrease) in cash and cash equivalents	(5,127,922)	(1,548,661)
Cash and cash equivalents, beginning of period	32,751,159	9,590,300
Cash and cash equivalents, end of the period	<u>\$ 27,623,237</u>	<u>\$ 8,041,639</u>
Supplemental information		
Interest received	<u>\$ -</u>	<u>\$ 46,679</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Montage Gold Corp.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>Number of Shares Issued and Outstanding</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Deficit</b>	<b>Total</b>	<b>Non- controlling Interest</b>	<b>Total</b>
<b>Balance January 1, 2021</b>	<b>104,940,011</b>	<b>\$ 65,410,020</b>	<b>\$ 667,783</b>	<b>\$ (427,010)</b>	<b>\$ (21,074,869)</b>	<b>\$ 44,575,924</b>	<b>-</b>	<b>\$ 44,575,924</b>
Net loss and other comprehensive loss	-	-	-	(221,854)	(8,152,929)	(8,374,783)	-	<b>(8,374,783)</b>
Stock-based compensation expense (Note 6)	-	-	268,240	-	-	268,240	-	<b>268,240</b>
<b>Balance March 31, 2021</b>	<b>104,940,011</b>	<b>\$ 65,410,020</b>	<b>\$ 936,023</b>	<b>\$ (648,864)</b>	<b>\$ (29,227,798)</b>	<b>\$ 36,469,381</b>	<b>-</b>	<b>\$ 36,469,381</b>
<b>Balance January 1, 2020</b>	<b>73,476,374</b>	<b>\$ 32,783,085</b>	<b>\$ 148,820</b>	<b>\$ (1,201,459)</b>	<b>\$ (10,687,123)</b>	<b>\$ 21,043,323</b>	<b>\$ 28,180</b>	<b>\$ 21,071,503</b>
Net loss and other comprehensive loss	-	-	-	920,775	(1,504,450)	(583,675)	(236,366)	<b>(820,041)</b>
Stock-based compensation expense (Note 6)	-	-	155,068	-	-	155,068	-	<b>155,068</b>
<b>Balance March 31, 2020</b>	<b>73,476,374</b>	<b>\$ 32,783,085</b>	<b>\$ 303,888</b>	<b>\$ (280,684)</b>	<b>\$ (12,191,573)</b>	<b>\$ 20,614,716</b>	<b>\$ (208,186)</b>	<b>\$ 20,406,530</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**Montage Gold Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2021 and 2020**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**1. NATURE OF OPERATIONS**

Montage Gold Corp. ("Montage" or the "Company") is a resource company engaged in the acquisition and exploration of mineral properties in Africa and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of Montage and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of Montage to obtain necessary financing to complete the exploration and development of such properties and upon future profitable production from or disposition of such properties

Montage was incorporated as a wholly owned subsidiary of Orca Gold Inc. ("Orca") under the Business Corporations Act (British Columbia) on July 4, 2019 and its registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C3E8.

On October 23, 2020, Montage completed its initial public offering of an aggregate of 27,272,728 common shares at a price of \$1.10 per share for total proceeds of \$30 million and on October 30, 2020 the underwriters acquired an additional 4,090,909 shares for gross proceeds of approximately \$4.5 million.

Following the Montage IPO on October 23, 2020, Orca's percentage ownership in Montage decreased from 45% to 31.5% and following a reduction in board representation under a new investor agreement Orca has significant influence, rather than control over the Company.

On November 3, 2020 Montage completed the disposal of its 51% interest in its Burkina Faso properties to Predictive Discovery Limited ("Predictive") in exchange for 4,028,477 Predictive shares with a fair value of \$0.2 million.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2020.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on May 25, 2021.

**Montage Gold Corp.**  
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**3. RECEIVABLES AND OTHER ASSETS**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Prepaid expenses	609,025	734,584
Marketable securities	289,475	241,404
<b>Total receivables and other assets</b>	<b>898,500</b>	<b>975,988</b>

**Montage Gold Corp.**  
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**4. EQUIPMENT**

<b>Cost</b>	<b>Computer and Office Equipment</b>	<b>Vehicles and Mobile Equipment</b>	<b>Field and Camp Equipment</b>	<b>Total</b>
<b>As at January 1, 2020</b>	<b>25,199</b>	<b>277,021</b>	<b>545,856</b>	<b>848,076</b>
Additions	16,040	-	6,109	22,149
Effects of foreign exchange on translation to presentation currency	1,317	19,513	4,798	25,628
<b>As at December 31, 2020</b>	<b>42,556</b>	<b>296,534</b>	<b>556,763</b>	<b>895,853</b>
Additions	5,869	2,959	72,131	80,959
Effects of foreign exchange on translation to presentation currency	(13,267)	(16,327)	(11,696)	(41,290)
<b>As at March 31, 2021</b>	<b>35,158</b>	<b>283,166</b>	<b>617,198</b>	<b>935,522</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2020</b>	<b>(16,365)</b>	<b>(17,165)</b>	<b>(346,135)</b>	<b>(379,665)</b>
Depreciation	(5,791)	(96,698)	(35,574)	(138,063)
Effects of foreign exchange on translation to presentation currency	(468)	(3,356)	8,618	4,794
<b>As at December 31, 2020</b>	<b>(22,624)</b>	<b>(117,219)</b>	<b>(373,091)</b>	<b>(512,934)</b>
Depreciation	(1,229)	(24,220)	(11,321)	(36,770)
Effects of foreign exchange on translation to presentation currency	11,672	7,242	3,232	22,146
<b>As at March 31, 2021</b>	<b>(12,181)</b>	<b>(134,197)</b>	<b>(381,180)</b>	<b>(527,558)</b>
<b>Net book amount</b>				
<b>As at December 31, 2020</b>	<b>19,932</b>	<b>179,315</b>	<b>183,672</b>	<b>382,919</b>
<b>As at March 31, 2021</b>	<b>22,977</b>	<b>148,969</b>	<b>236,018</b>	<b>407,964</b>

**Montage Gold Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**(Unaudited)**

**5. MINERAL PROPERTIES**

<b>Cost</b>	<b>Total</b>
<b>As at January 1, 2020</b>	<b>11,734,994</b>
Effects of foreign exchange on translation to presentation currency	826,593
<b>As at December 31, 2020</b>	<b>12,561,587</b>
Effects of foreign exchange on translation to presentation currency	(497,839)
<b>As at March 31, 2021</b>	<b>12,063,748</b>

Mineral properties includes the Company's predecessor, Orca's acquisition of Kinross properties in Côte d'Ivoire for \$5.4 million in 2018 and the acquisition of Avant Minerals Côte d'Ivoire permits for \$6.2 million in 2019.

**Montage Gold Corp.**  
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**6. STOCK OPTIONS**

**a) Stock option plan**

The total stock-based compensation reported for the year ended March 31, 2021 was \$0.3 million (2020: \$0.2 million).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2020	5,150	\$0.45
Granted	3,900	\$1.30
Exercised	(100)	\$0.45
Cancelled	(200)	\$0.45
Outstanding at December 31, 2020	8,750	\$0.82
Outstanding at March 31, 2021	8,750	\$0.82
Exercisable at March 31, 2021	4,567	\$0.69

**Montage Gold Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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The following summarizes information about the stock options outstanding and exercisable at March 31, 2021:

Exercise prices (CDN\$)	Outstanding options			Exercisable options		
	Number of options outstanding (In thousands)	Weighted Average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)
\$0.45	4,850	1.46	\$0.45	3,267	1.46	\$0.45
\$0.55	100	2.46	\$0.55	33	2.46	\$0.55
\$1.30	3,800	2.61	\$1.30	1,267	2.61	\$1.30
	<u>8,750</u>	1.97	\$0.82	<u>4,567</u>	1.79	\$0.69

**7. ADMINISTRATION COSTS**

	Three months ended March 31, 2021	Three months ended March 31, 2020
Management and consulting fees	297,270	161,715
Office and administration	56,474	22,838
Professional fees	58,897	36,383
Salaries and benefits	31,231	7,618
Stock based compensation expense (Note 6)	214,091	100,746
Travel and promotion	23,087	59,581
<b>Total administration costs</b>	<b>681,050</b>	<b>388,881</b>

**Montage Gold Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**(Unaudited)**

**8. EXPLORATION AND PROJECT INVESTIGATION COSTS**

<b>Three months ended March 31,</b>		<b>Côte d’Ivoire</b>	<b>Burkina Faso</b>	<b>Total</b>
<b>2021</b>	Depreciation	36,770	-	36,770
	Drilling	5,200,505	-	5,200,505
	Exploration support and administration	235,476	-	235,476
	Field operation and consumables	189,164	-	189,164
	Geological consulting	8,021	-	8,021
	Permitting and licensing fees	-	-	-
	Salaries and benefits	392,686	-	392,686
	Sampling, geological and other evaluation costs	1,158,315	-	1,158,315
	Stock-based compensation expense (Note 6)	54,148	-	54,148
	Travel and accommodation	40,215	-	40,215
	<b>Total exploration and project investigation costs</b>	<b>7,315,300</b>	<b>-</b>	<b>7,315,300</b>
<b>2020</b>	Depreciation	32,989	-	32,989
	Drilling	368,172	-	368,172
	Exploration support and administration	59,858	50,440	110,298
	Field operation and consumables	59,395	-	59,395
	Geological consulting	6,345	23,537	29,882
	Permitting and licensing fees	1,164	-	1,164
	Salaries and benefits	232,308	401,950	634,258
	Sampling, geological and other evaluation costs	31,632	-	31,632
	Stock-based compensation expense (Note 6)	54,593	-	54,593
	Travel and accommodation	10,956	6,452	17,408
	<b>Total exploration and project investigation costs</b>	<b>857,412</b>	<b>482,379</b>	<b>1,339,791</b>

**Montage Gold Corp.**  
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**9. RELATED PARTY TRANSACTIONS**

The related party with which the Company has transacted during the three months to March 31, 2021 was Geodex Consultants Ltd. ("Geodex"). Geodex is related by virtue of their proprietor being a director and officer of the Company. Montage is an associate of Orca and therefore Orca is a related party. There were no related party transactions between Orca and Montage during the period.

**a) Services received from related parties**

	<b>Related party</b>	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Geological consulting	Geodex	7,224	6,447
<b>Total services received from related parties</b>		<b>7,224</b>	<b>6,447</b>

**b) Related party balances**

The Company had no amounts due to related parties as at March 31, 2021 and March 31, 2020.

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**c) Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The remuneration of key management personnel is as follows:

	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
Salaries and management fees	221,051	136,059
Short term benefits	20,190	1,272
Directors fees	65,625	-
Stock-based compensation	209,908	89,316
<b>Total key management compensation</b>	<b>516,774</b>	<b>226,647</b>

**10. SEGMENT INFORMATION**

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Africa. The information regarding mineral properties and exploration and project investigation costs presented in Notes 5 and 8, respectively, represent the manner in which management reviews its business performance. The Company's mineral properties and exploration and project investigation costs were located in Côte d'Ivoire as at March 31, 2021. The Company owns four permits and eight permit applications in Côte d'Ivoire. Materially all of the Company's administrative costs are incurred by Montage's Canadian legal entities, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's operating subsidiaries in support of ongoing and planned work programs.

**Montage Gold Corp.**  
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The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by geographical area:

		<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
<b>March 31, 2021</b>	Current assets	1,304,529	-	27,217,208	28,521,737	
	Equipment	407,964	-	-	407,964	
	Mineral properties	12,063,748	-	-	12,063,748	
	Other assets	19,842	-	-	19,842	
	Total Assets	13,796,083	-	27,217,208	41,013,291	
	Current liabilities	4,215,039	-	328,271	4,543,910	
<b>December 31, 2020</b>	Current assets	886,693	-	32,840,454	33,727,147	
	Equipment	382,919	-	-	382,919	
	Mineral properties	12,561,587	-	-	12,561,587	
	Other assets	22,070	-	-	22,070	
	Total Assets	13,853,269	-	32,840,454	46,693,723	
	Current liabilities	1,801,548	-	316,251	2,117,799	
<b>Three months ended March 31,</b>		<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Corporate &amp; Other</b>	<b>Total</b>	
	<b>2021</b>	Exploration and project investigation	7,315,300	-	-	7,315,300
		General administration and other items	-	-	837,629	837,629
		Net loss	7,315,300	-	837,629	8,152,929
	<b>2020</b>	Exploration and project investigation	828,355	482,272	-	1,310,627
		General administration and other items	-	-	401,025	401,025
		Net loss	828,355	482,272	401,025	1,711,652

**Montage Gold Corp.**  
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**11. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, marketable securities, other receivables, and accounts payable and accrued liabilities. The carrying amounts of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair value because of the immediate or short-term maturity of these financial instruments. The fair value of marketable securities is measured using Level 1 inputs using quoted market prices.

The Company's financial instruments are exposed to certain financial risks, including currency, credit and liquidity risk.

**a) Currency risk**

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

As at March 31, 2021, the Company did not have any material foreign currency risk exposure at its operations in Cote d'Ivoire.

**b) Credit risk**

As at March 31, 2021, the majority of the Company's cash and cash equivalents was held through Canadian institutions with investment grade ratings.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs. The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

The maturities of the Company's financial liabilities as at March 31, 2021 are as follows:

	<b>\Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	4,583,910	4,583,910	-	-
<b>Total</b>	<b>4,583,910</b>	<b>4,583,910</b>	<b>-</b>	<b>-</b>



## CORPORATE DIRECTORY

### OFFICERS

Richard P. Clark  
Non-Executive Chairman of the Board  
Hugh Stuart  
Chief Executive Officer  
Adam Spencer  
Executive Vice President, Corporate  
Development  
Glenn Kondo  
Chief Financial Officer  
Corporate Secretary  
Kathy Love  
Assistant Corporate Secretary

### DIRECTORS

Richard P. Clark  
Hugh Stuart  
Compensation Committee  
Adam Spencer  
Audit Committee  
Kevin Ross  
Corporate Governance and Nominating  
Committee  
David Field  
Audit Committee  
Corporate Governance and Nominating  
Committee  
Peter Mitchell  
Audit Committee  
Compensation Committee  
David De Witt  
Compensation Committee  
Corporate Governance and Nominating  
Committee

### AUDITORS

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Vancouver, British Columbia, Canada

### LEGAL COUNSEL

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Vancouver, British Columbia  
Toronto, Ontario

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### REGISTRAR AND TRANSFER AGENT

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Vancouver, BC V6Z 1S4

### SHARE LISTING

TSX Venture Exchange  
Symbol: MAU  
CUSIP No.: 61178L101  
ISIN: CA61178L101