

1111 Exploration Corp.
(formerly 1111 Acquisition Corp.)

Management's Discussion & Analysis
For the six months ended
July 31, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion & Analysis ("MD&A") of 1111 Exploration Corp. (formerly 1111 Acquisition Corp.) (the "Company") for the three and six months ended July 31, 2021, should be read in conjunction with the Company's condensed interim financial statements for the three and six months ended July 31, 2021 and the annual audited financial statements for the period ended January 31, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

The information contained herein is presented as at **September 20, 2021** (the "MD&A Date"), unless otherwise indicated.

For the purposes of preparing this MD&A, Management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements"), within the meaning of applicable Canadian securities laws, which are based upon the Company's current internal expectations, estimates, projections, assumptions, and beliefs. All information, other than statements of historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this MD&A and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

Forward-looking statements in this MD&A may include, but are not limited to, statements with respect to: the use of the net proceeds from financings; the performance of the Company's business and exploration activity; the intention to grow the business and/or exploration activities, regulatory changes; the competitive conditions of the industry and the Company's competitive position in the industry; the Company's business plans and strategies; the anticipated benefits of the Company's option partners and/or joint venture opportunities; the applicable laws, regulations and any amendments thereof; and any anticipated future exploration results.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of exploration activity, performance, or achievements. There are risks, uncertainties, and other factors, some of which are beyond the Company's control, which could cause actual results, performance, or achievements of the Company, as applicable, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements contained in this MD&A. Refer to "Risks and Uncertainties" below for details of certain risks.

DESCRIPTION OF BUSINESS

1111 Exploration Corp. (formerly 1111 Acquisition Corp.) (the "Company") was incorporated in British Columbia under the provisions of the British Columbia Business Corporations Act on February 21, 2020 as 1111 Acquisition Corp and on August 3, 2021, the Company changed its name to 1111 Exploration Corp. On August 19, 2021, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "ELVN". The Company's registered and records office address is 1100 – 1111 Melville Street, Vancouver BC V6E 3V6.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interest in British Columbia and has not yet determined whether it contains mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests.

Pinnacle Project

Summary of Option Agreement

On August 25, 2020, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle Property (the "Project") from Pacific Empire Minerals Corp. ("PEMC"). Under the terms of the agreement, the Company can earn a 70% interest in the property by making cash payments to PEMC of \$375,000, issuing 3,500,000 common to PEMC, and incurring cumulative exploration expenditures of \$5,700,000, collectively staged over four years through to August 25, 2024 (the "Earn-In").

To the MD&A Date, the Company has made cash payments totalling \$40,000, and has issued 200,000 common shares to PEMC in accordance with the Option Agreement.

Following the Earn-In, the Company must make a cash payment of \$50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the Project up until the date that the Company publishes a NI 43-101 compliant Pre-Feasibility Study ("PFS") on the Project. Following completion of the PFS, a Joint Venture will be formed whereby the Company will own 70% and PEMC will own 30% of the project. Additionally, upon completion of the Earn-In, PEMC will retain a 2.0% Net Smelter Return Royalty ("NSR") which can be reduced to 1.0% by way of making a \$1,000,000 cash payment to PEMC.

Project Background

The 14,040-hectare Pinnacle Project is located in Central British Columbia (within the Quesnel Trough), 50 km to the west of Centerra Gold's Mt. Milligan Mine and 20 km to the north of the Jean Marie Copper-Gold-Silver-Molybdenum Project.

Since 2014, the property has seen over \$2,000,000 in partner-funded exploration. During 2014, a total of 44 line-km of Induced Polarization ("IP") surveys were completed over three target areas by previous partner Oz Exploration Pty Ltd. ("OZE"). This program identified three areas of anomalous chargeability, two of which (Elbow and Sooner) were prioritized for follow-up diamond drill testing in 2015. In 2015, the Elbow and Sooner target areas were tested with diamond drilling by OZE with six holes totaling 2,493 m. Additional drilling was completed during 2016 by ML Gold at the Elbow Zone, with three diamond drill holes totaling 1,107 m. Similar to the 2015 drill results, anomalous gold intercepts were associated with sericite-biotite alteration at the Elbow Zone. Following the completion of the 2016 drilling program, historical IP data that was not released publicly was purchased and amalgamated with the existing IP dataset from the 2014 surveys.

From 2014 through 2017, partner-funded exploration resulted in a total of 14 diamond drill holes and four IP surveys on the property. At the Elbow Zone, five of the six diamond drill holes were sent for laboratory analysis and all five of these holes returned anomalous gold, highlighted by 94 metres grading 0.34 g/t gold in DD15ELB001. At the Sooner Zone, diamond drilling in 2015 encountered broad intervals of anomalous copper.

Historical work at Aplite Ridge was compiled from public domain reports submitted to the provincial government (Assessment Reports) and predates NI 43-101 standards. The Company is treating this data as historic in nature but considers it as an effective guide to exploration potential. Subsequent work by Pacific Empire and their previous partners was to 43-101 standards and full QAQC disclosure was provided in the Pacific Empire company disclosure record as found on their website and as posted in press releases on SEDAR.

Current Exploration Plans

In August 2021, the Company announced a field program at the Pinnacle project. Work planned will include a hi-resolution drone supported magnetic survey and soil sampling over the Aplite Ridge target and re-logging and sampling of historical core from the Elbow and Sooner zones. An important part of the resampling will be the collection of select core chips for clay mineral analysis to aid in alteration studies and vectoring. Follow-up targeting and initial drill testing of identified targets is anticipated in 2022.

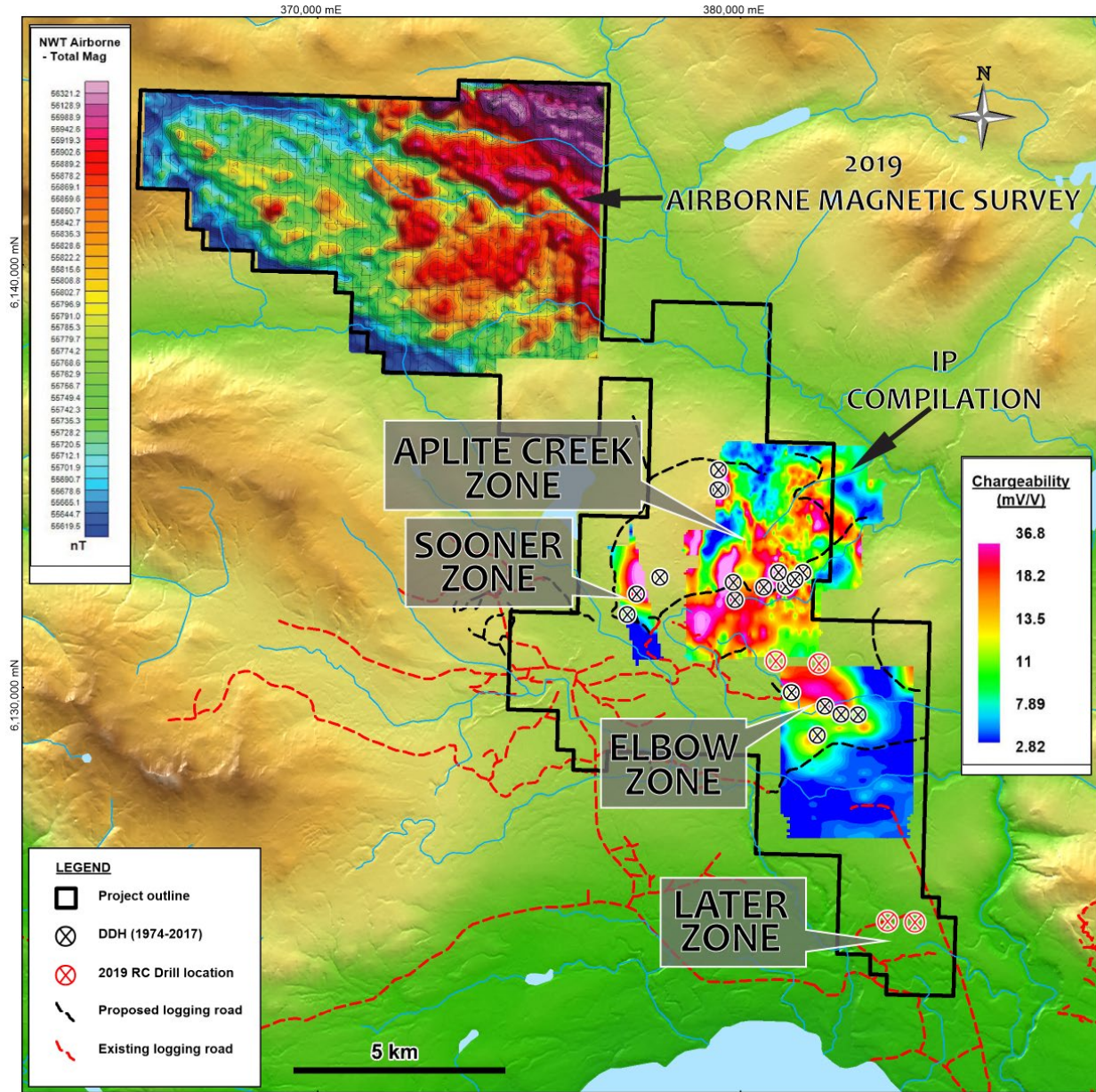


Figure 1 - Pinnacle Copper-Gold Project

OVERALL PERFORMANCE

The Company's focus over the most recent quarter for the three months ended July 31, 2021, was continued progress towards its public listing. Subsequent thereto, the Company successfully obtained its public listing on the CSE and has turned its attention to conducting a summer exploration program at the Pinnacle project as described above.

A summary of the Company's timeline on obtaining its public listing over the most recent quarter is as follows:

- On May 26, 2021, the Company filed a preliminary non-offering prospectus and concurrently made an application to have its common shares listed for trading on the CSE;
- On August 4, 2021, the Company obtained conditional approval for a public listing on the CSE;
- On August 6, 2021, the Company filed its final non-offering prospectus;
- On August 17, 2021, the Company filed its Form 2A Listing Statement wrap on its final non-offering prospectus; and
- On August 19, 2021, the Company's common shares commenced trading on the CSE under the symbol "ELVN".

During the six months ended July 31, 2021, the Company generated a net increase in cash of approximately \$125,000 driven by the collection of special warrants subscriptions that were receivable at January 31, 2021. Additionally, the Company incurred a loss and comprehensive loss of approximately \$81,000 for the period then ended.

DISCUSSION OF OPERATIONS

For the three and six months ended July 31, 2021

The following table summarizes the Company's results of operations and cash flows for the three and six months ended July 31, 2021 (rounded):

	Three months ended	Six months ended
	July 31, 2021	July 31, 2021
	\$	\$
Revenue	-	-
Loss and comprehensive loss	(64,000)	(81,000)
Cash used in operating activities	(8,000)	(29,000)
Cash provided by financing activities	-	171,000
Cash used in investing activities	(17,000)	(17,000)
Change in cash	(25,000)	125,000

Cash used in investing activities represents disbursements relating to exploration work at the Pinnacle project.

Certain components of the Company's operating expenses for three and six months ended July 31, 2021, were as follows (rounded):

	Three months ended	Six months ended
	July 31, 2021	July 31, 2021
	\$	\$
Management fees	19,000	33,000
Professional fees	41,000	41,000
Transfer agent, filing and exchange fees	6,000	6,000

The majority of the loss and comprehensive loss incurred for the six months ended July 31, 2021, was attributable to activities relating to the public listing which was concentrated over the three months ended July 31, 2021. Accordingly, professional fees, and transfer agent, filing and exchange fees increased.

- Management fees continue to be incurred at consistent rates of approximately \$6,000 per month in aggregate. Management fees are rendered by Officers and/or Directors of the Company for services including accounting, administration, corporate secretarial, corporate development, and executive services.
- Professional fees represents the accrual for audit fees, as well as approximately \$35,000 in legal fees rendered primarily relating to the Company's public listing.

1111 Exploration Corp. (1111 Acquisition Corp.)
Management's Discussion & Analysis
July 31, 2021

SUMMARY OF QUARTERLY RESULTS

Period Ending	Revenue \$	Loss and comprehensive loss \$	Basic and Diluted Loss Per Share \$
July 31, 2021	-	(64,032)	(0.01)
April 30, 2021	-	(17,024)	(0.00)
January 31, 2021	-	(33,816)	(0.01)
October 31, 2020	-	(795)	(0.00)
July 31, 2020	-	(8,887)	(0.01)
April 30, 2020	-	(3,312)	(0.00)

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, its Officers, and companies in which they have control or significant influence. The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions six months ended July 31, 2021 \$	Transactions period from incorporation to July 31, 2020 \$	Balances outstanding April 30, 2021 \$	Balances outstanding January 31, 2021 \$
DBM CPA (a)	18,000	-	15,750	1,575
Freeform Communications (a)	8,400	-	15,400	7,000
(1) Infiniti Drilling	10,600	-	2,787	-
Kristian Whitehead (a)	-	-	2,000	2,000
MDS Management (a)	-	-	5,933	5,400
Robert Cameron (a)	6,600	-	12,100	5,500
	43,600	-	53,970	21,475

(1) Represents geological services within exploration.

The transactions with the key management personnel and Directors are included in operating expenses unless otherwise specified as follows:

(a) Management fees:

- A Includes the accounting services of the Company's CFO, Dan Martino (effective January 1, 2021), charged to the Company by Donaldson Brohman Martin, CPA Inc. ("DBM CPA");
- Includes the services of Scott Young, Director, charged to the Company by Freeform Communications Inc. ("Freeform Communications");
- Includes the services of Kristian Whitehead, VP Exploration.
- Includes the services of Michael Sweatman, Director (and former CFO until December 31, 2020), charged to the Company by MDS Management Ltd. ("MDS Management") No amounts were incurred with Michael Sweatman during the periods ended July 31, 2021 and July 31, 2020; and
- Includes the services of Robert Cameron, CEO, Director, charged to the Company.

The transactions incurred with Infiniti Drilling Corporation ("Infiniti"), a company that provides geological services are included within exploration. Infiniti is controlled by Kristian Whitehead, VP Exploration of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity is the completion of various rounds of financing which closed during the period ended January 31, 2021 with certain proceeds being received during the six months ended July 31, 2021.

As stated in the Company's final non-offering prospectus as filed on SEDAR on August 6, 2021, the Company disclosed the principal purposes for the use of available funds of \$312,000 upon listing as follows.

Principal Purposes	Funds (\$)
General and administrative costs	147,000
Phase 1 exploration program expenditures on the Property	105,000
Cash payment required under Option Agreement	25,000 ⁽¹⁾
Remaining estimated expense for listing on the CSE	15,000
Total use of working capital	292,000
Unallocated working capital	20,000

(1) Cash payment of \$25,000 was made on August 25, 2021.

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares under additional equity financing arrangements. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of unlimited common shares without par value. All issued common shares are fully paid.

As at the MD&A date:

- 12,816,133 common shares are issued and outstanding (there are no remaining special warrants outstanding).
- There are no stock options outstanding and there have been no stock options granted since incorporation.
- 6,930,000 share purchase warrants are outstanding. Each warrant is exercisable into one common share at an exercise price of \$0.10 until August 6, 2023.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period/year. Actual results could differ from those estimates and judgments.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements are described in Note 2 of the Company's audited financial statements for the period ended January 31, 2021.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and accounts payable to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Information with respect to the Company's technique for measuring financial instruments at fair value can be found in the Company's financial statements for the six months ended July 31, 2021, within Note 9.

The Company's financial instruments can be exposed to certain financial risks including credit risk, interest rate risk, market risk, and liquidity risk. Details of these risks and related assessments are included in the Company's financial statements for the six months ended July 31, 2021, within Note 9.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions as at the MD&A Date.

CHANGES IN ACCOUNTING POLICIES AND INITIAL ADOPTION

During the period ended July 31, 2021, there were no changes to the Company's significant accounting policies, nor any new accounting policies adopted.

RISKS AND UNCERTAINTIES

In conducting its business, 1111 Exploration Corp. faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government, and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Title Risks

Although 1111 Exploration Corp. has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of 1111 Exploration Corp.'s interests. Its claims, permits or tenures may be subject to prior unregistered agreements or transfers or to native land claims. Title to the claims, permits or tenures comprising 1111 Exploration Corp.'s properties may also be affected by undetected defects. If a title defect exists, it is possible that 1111 Exploration Corp. may lose all or part of its interest in the property to which such defect relates.

Exploration and Evaluation

Resource exploration and evaluation is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

Environmental Regulations, Permits and Licenses

1111 Exploration Corp.'s operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent.

Competition

The mineral exploration industry is intensely competitive in all its phases and 1111 Exploration Corp. competes with other companies that have greater financial and technical resources. Competition could adversely affect 1111 Exploration Corp.'s ability to acquire suitable properties or prospects in the future.

Fluctuating Metal Prices

1111 Exploration Corp. (1111 Acquisition Corp.)
Management's Discussion & Analysis
July 31, 2021

Factors beyond the control of 1111 Exploration Corp. have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of 1111 Exploration Corp.'s exploration projects and 1111 Exploration Corp.'s ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Future Financings

1111 Exploration Corp.'s continued operation will be dependent in part upon its ability to generate operating income and to procure additional financing. To date, 1111 Exploration Corp. has done so through equity financing. Fluctuations of global equity markets can have a direct effect on the ability of exploration companies, including 1111 Exploration Corp., to finance project acquisition and development through the equity markets. There can be no assurance that funds from 1111 Exploration Corp.'s current financing sources can be generated or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause 1111 Exploration Corp. to postpone exploration or development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of its operations.

Price Volatility of Securities

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A and the financial statements is the responsibility of management. In the preparation of the financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

QUALIFIED PERSON

Robert Cameron, P.Geo., CEO and Director of the Company, is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has approved the scientific and technical information and disclosure contained in this news release.