



**Management's Discussion & Analysis of
Financial Conditions & Results of Operations**

December 31, 2018

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Background

This discussion and analysis of financial position and results of operations of Aurion Resources Ltd. (the "Company" or "Aurion") is prepared as of April 24, 2019 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018 where necessary. All dollar figures included therein and in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Company Overview

The Company is a prospect generator with a strategy to fund mineral exploration through partnership agreements. This approach significantly reduces the technical and financial risk for the Company, without losing exposure to the shareholder value enhancement of a major discovery.

Aurion Resources Ltd. (the "Company") was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and was continued into British Columbia on August 10, 2018 under the *Business Corporations Act (British Columbia)*. The Company was listed the TSX Venture Exchange ("Exchange") on October 3, 2008. Aurion and its wholly-owned subsidiaries, Minera Aurion de Mexico S.A. de C.V., Aurion Resources (US) LLC, Aurion Resources AB, Aurion Oy and FennoEx Oy are engaged in the evaluation, acquisition and exploration of mineral properties in Canada, Mexico, the United States, Sweden and Finland respectively. The Company's primary focus is currently in Finland.

Annual Highlights and Significant Events

- January 17, 2018: Aurion reported the results from its maiden drill program from Sept.-Dec. 2017 at the Aamurusko gold prospect on its 100% owned Risti Project in Northern Finland. The objective of drilling was to identify structures to potentially find the source of the 1.4 km long by 2.5 km wide Aamurusko boulder trend which until then had identified 717 large, angular quartz vein blocks assaying from nil to 2,520 g/t Au averaging 32.97 g/t Au. Highlights included:
 - Diamond drilling was completed over 4,380 m in 21 drillholes;
 - Drilling identified significant structures hosting at least 2 separate zones of multiple mineralized quartz vein, stockwork and breccia zones over a 1 km strike length;
 - Quartz veins and stockwork zones showed variable mineralization with trace to 3% pyrite, pyrrhotite, chalcopyrite, galena, sphalerite, arsenopyrite and rare visible gold;
 - The highest assay result was 10.1 g/t Au over 1.0 m while numerous zones of anomalous gold values throughout numerous drillholes were observed.

- January 24, 2018: Aurion appointed Mr. Mark Serdan as Chief Financial Officer of the company.
- February 15, 2018: Aurion announced that it had signed a non-binding letter of intent (“LOI”) with Kinross Gold Corporation (“Kinross”) giving Kinross the right to earn up to 70% in the Outa project. The terms were as follows:
 - Kinross to spend US\$ 5 million over 5 years to earn 70%;
 - Kinross agreed to complete US\$ 1 million exploration expenditures over first 2 years;
 - On August 18, 2018, Aurion entered into an Option Agreement with Kinross pursuant to the terms of the LOI;
- June 21, 2018: Aurion announced the commencement of the 2018 exploration program and reported two new high-grade discoveries (The A2 and Aamurusko NW Prospects):
 - The 2018 budget was estimated at \$8 million and included quaternary glacial geomorphology studies, trenching, prospecting, detailed structural geological mapping, drone geophysics, drone photography and a 15,000 m diamond drilling program;
 - The A2 Prospect is located 850-1,500 m N of the Aamurusko boulder field. 53 rock chip samples in outcrop, subcrop and angular boulders were collected assaying from nil to 322.7 g/t Au and averaging 18.6 g/t Au over 1.1 km. Mineralization consisted of quartz veins, quartz stockworks, breccias and sediment hosted disseminated mineralization;
 - The Aamurusko NW Prospect is located 400 m N-NW of the Aamurusko boulder field and comprises a 20-30 m wide zone of NE-SW trending quartz veins, breccias and stockworks in outcrop and subcrop. The mineralization is exposed over a 50 m strike length before being concealed under cover and individual veins are up to 1.5 m wide and over 14 rock chip samples contained visible gold. This new discovery is believed to represent at least one source of the high-grade boulders within Aamurusko.
- August 17, 2018: Aurion announced high-grade assay results from the A2 and Aamurusko NW targets:
 - At the A2 prospect, 52 new rock chip samples in outcrop, subcrop and angular boulders were collected over a distance of 1.1 km, assaying between nil and 697.0 g/t Au and averaging 59.6 g/t Au. Mineralization consisted of quartz veins up to 5 m wide, quartz stockworks, breccias and tension vein arrays;
 - At the Aamurusko NW prospect, a total of 187 rock chip samples in outcrop, subcrop and angular boulders were collected over an area 400 m wide by 275 m, assaying between nil and 404 g/t Au and averaging 14.2 g/t Au.
- September 19, 2018: Aurion announced a drilling intercept in hole AM18042 (“hole 42”) that assayed 789.06 g/t Au over 2.90 m:
 - A total of 5,239 m in 35 drillholes were completed since early July;
 - Partial assays were received for 17 drillholes and 4 targets were tested (Aamurusko Main, Aamurusko West, Aamurusko NW and A2);
 - The best intercept to date was encountered in hole 42 where coarse visible gold was intersected in a 2.90 m wide fault filled vein which assayed 789.06 g/t from 116.10 m to 119.00 m, including 0.65 m assaying 3,510.00 g/t;
 - Hole 35 located 230 m east of hole 42 encountered multiple extensional vein zones including a 5.20 m wide zone assaying 12.45g/t from 53.50 m to 58.70 m, including 0.50 m assaying 66.70 g/t and 0.49 m assaying 54.3 g/t;
 - Those holes were associated with the discovery of a major east-west trending north dipping structure immediately north of the Aamurusko boulder field and management believes that this shear zone is likely the source of many of the large auriferous boulders previously discovered within the main 1.1 km by 1.4 km Aamurusko boulder field.

- October 2, 2018: Aurion reported the discovery of a new high-grade zone of gold mineralization in bedrock at Risti:
 - The “YNot” prospect, 3.6 km NW of Aamurusko, comprises an east-west zone of quartz veins associated extensional/stockwork veining hosted by siliceous sandstone;
 - Mechanical trenching exposed a zone of quartz vein hosted gold mineralization in bedrock up to 10 m wide over a distance of 260 m;
 - 39 surface rock chip or grab samples collected from angular boulders assayed from nil to 705 g/t Au including 10 samples assaying greater than 5.0 g/t Au. The average grade of samples was 30.77 g/t Au and the median grade was 0.68 g/t Au;
 - Grab samples of angular boulders assaying 23.9 and 23.5 g/t Au were also discovered approximately 180 m and 750 m SW and East of the YNot trenches, respectively.
- October 22, 2018: Aurion provided an update on its surface and drilling program at Risti:
 - A total of 44 drillholes and 6,297 m out of 15,000 m planned, were completed since July;
 - Hole 51, 25 m down dip of hole 42 encountered a vein assaying 17.5 g/t Au over 1.1 m;
 - 10 drillholes within the vicinity of hole 42 were drilled with assays pending on 5 holes;
 - Extensive trenching occurred over 8 km at other high priority targets (YNot and Notches);
 - 40 trenches were excavated, mapped and channel sampled and assayed from the majority of the targets;
 - Trenching confirmed that many boulder sources are in bedrock immediately beneath or proximal, which appears common across Risti;
 - Over 4,000 prospecting rock samples had been collected across Risti to date, yet only 25-30% of the 15,000 hectares (ha) Risti Property had been systematically prospected. Many new targets were identified for follow-up in the future.
- December 11, 2018: Aurion announced the discovery of a possible high-grade mineralized ore shoot from its drilling program at Risti:
 - Two drillholes positively tested the continuity of an apparent, steep plunge of mineralization as defined by the high-grade intercepts in drillholes 42 and 51;
 - Hole 75, 80 m down plunge of hole 42, encountered a vein assaying 17.06 g/t Au over 1.8 m. Further downhole, another vein was intersected assaying 4.65 g/t Au over 3.65 m including 29.5 g/t Au over 0.50 m;
 - Drillhole 77, 25 m up plunge of hole 42 and holes 56, 61 and 63, approximately 75 m to the west of hole 42, also all encountered encouraging grades of gold mineralization;
 - The intercepts in drillholes 42, 51, 54, 75 and 77 lined up along an azimuth of 010 degrees over approximately 50 m horizontally and 100 m at depth along a gabbro-sediment contact and may partially define an apparent mineralized shoot.
- February 5, 2019: Subsequent to the end of the year, Aurion announced that it had intersected 42.3 g/t Au over 4 m and 24.5 g/t Au over 4.7 m near hole 42 at shallow depths at Risti:
 - Hole 82, approximately 25 m west of hole 42 encountered a vein assaying 42.28 g/t Au over 4.0 m, including 110.9 g/t Au over 1.4 m;
 - Hole 81, approximately 56 m east of hole 82 encountered a vein assaying 24.5 g/t Au over 4.75 m, including 45.7 g/t Au over 0.80 m;
 - These holes were approximately 40-45 m from surface;
- February 12, 2019: Subsequent to the end of the year, Aurion announced a new discovery at its Launi East project in Northern Finland:
 - Reconnaissance prospecting on Aurion’s 100% owned 4,250-hectare Launi East project resulted in the discovery of several zones of gold mineralization comprising angular quartz boulders and outcrop over an area of approximately 2.0 km²;
 - 399 rock samples assayed from nil to 379.0 g/t Au and average 2.47 g/t Au;
 - Individual veins can be traced for > 100 m in outcrop and sub-outcrop and are generally < 1.0 m wide but can reach up to 1.9 m width;
 - Only 15 days of prospecting and reconnaissance geological mapping to date on property.

- March 13, 2019: Subsequent to the end of the year, Aurion reported the results from its recently completed drilling campaign:
 - 12,000 m of drilling were completed at the Aamurusko and Notches prospects at its Risti project between August 2018 and February 2019;
 - To date, 68 of 82 (or 83%) drillholes completed at Aamurusko (Main and Northwest) had intersected gold mineralization. Seventeen had intercepts of 15 g/t Au or higher.
 - With the completion of the final drilling at Aamurusko Main, gold mineralization intersected at shallow depths (40-60 m vertically from surface) expanded known mineralization in an area (a potential mineralized shoot) that is estimated to be 100 m long in an east-west orientation with a sub-vertical distance of 110 m. The target is open to the west and at depth;
 - At Notches, approximately 3 km east of Aamurusko, near surface gold mineralization encountered in conglomerate may represent a new style of mineralization on the Risti property. Conglomerate hosted gold has been encountered in several world class gold camps including Timmins and widely across the Birimian;
 - Six drillholes (714 m) were completed at Notches;
 - Two drillholes were completed to test a new previously undocumented style of gold mineralization, encountered in a single trench (# 17). Both drillholes intersected the silica-sulfide altered and mineralized conglomerate with 1 to 15% sulfides (pyrrhotite-pyrite-chalcopyrite-galena) plus magnetite, tourmaline, rare visible gold, and extensive quartz veining. The conglomerate assayed up to 8.24 g/t Au over 0.60 m and individual quartz veins assayed up to 20.30 g/t Au over 0.65 m. The best assay from surface saw-cut channel samples of the polymictic conglomerate was 3.2 g/t Au over 4.40 m including 8.94 g/t Au over 0.87 m.
- April 10, 2019: Subsequent to the end of the year, Aurion announced the completion of a brokered financing and concurrent non-brokered financing with Kinross:
 - Gross proceeds from the two placements was C\$6,474,615;
 - Under the brokered financing, the Company issued an aggregate of 5,476,300 common shares at a price of C\$1.05 per common share for aggregate gross proceeds of C\$5,750,115;
 - Under the non-brokered financing, Kinross exercised its pro rata right granted pursuant to a prior financing to maintain a 9.98% interest in the issued and outstanding shares of the Company. The Company issued an aggregate of 690,000 Common Shares at a price of C\$1.05 per common share for aggregate gross proceeds of C\$724,500 to Kinross.
- April 24, 2019: Subsequent to the end of the year, Aurion announced the signing of an option agreement with Strategic Resources Inc. (“Strategic”) granting Strategic the option to earn a 100% interest in the Silasselka Vanadium Project by:
 - Paying \$500,000 in cash;
 - Issuing 8,000,000 Strategic shares;
 - Incurring \$3,000,000 in exploration expenditures.

Mineral Exploration Properties

Finland

The Company began operating in Finland in early 2014 and currently holds tenements covering approximately 110,000 hectares (ha) within the Central Lapland Greenstone Belt (CLGB) of the Fennoscandian Shield – including the Company’s flagship property **Risti** which hosts the **Aamurusko** surface discovery. These land holdings are located approximately 850 kilometers (km) north of the Finnish capital of Helsinki and occur entirely north of the Arctic Circle. The Kittilä gold mine operated by Agnico Eagle Mines Limited (Agnico) is currently Europe’s largest gold mining operation (7.7 M oz Gold: Agnico Annual Report 2015) and is located in the CLGB, approximately 40 km to the northwest of **Aamurusko**, in rock sequences of similar age.

Access to all the properties is very good, with forestry roads extending from paved highways to the otherwise forested and undeveloped property areas. Topography is low and characterized by rolling hills with relief of less than 150 m. There are almost daily flights from Helsinki to the nearby airport in the town of Kittilä.

Most historic, economically important gold deposits of the CLGB occur in direct proximity to the metallogenically important “Sirkka Line” that is centered along the course of the Sirkka Shear Zone (SSZ), a major south dipping thrust fault system showing northeast transport that has been mapped for over 120 km along an east-southeast trend within the CLGB. The SSZ is characterized by numerous sub-parallel splays that also host important, structurally focused gold mineralization such as that present in the Pahtavaara deposit, located 12.4 km east of **Aamurusko**, and the Saattopora deposit located 82 km northwest of **Aamurusko**. A set of north-south trending strike-slip shear zones that depart northward from the SSZ are also important regional controls to gold mineralization, the most important of these currently being the Kiistala Shear Zone that hosts the previously mentioned Kittilä gold mine. The Hanhima Shear Zone (HSZ) parallels the Kiistala structure and is located about 10 km to the west of it. Significant new gold occurrences on the Hanhima trend serve to identify this as an emerging regional-scale gold trend. The Company’s **Sila** property occurs strategically along strike to the north and covers an essentially unexplored, 13 km long interpreted northern extension of the favorable Hanhima trend.

Finland Properties Not Subject to Partnership Agreements:

RISTI

The **Risti** project covers approximately 15,000 ha. The property hosts the Kaarestunturi “paleo-placer” prospect, which was discovered by the Geological Survey of Finland (“GTK”) who completed various studies including 5 shallow diamond drillholes within a small area returning up to 5.2 g/t Au over 5.0 m.

Prospecting and reconnaissance mapping by Aurion in late 2016 resulted in the discovery of a new area of approximately 2.3 km by 3.0 km hosting multiple quartz-tourmaline-Fe-Oxide veins, breccias and stockworks outlined in outcrop, sub outcrop and angular boulders. A total of 525 rock grab samples from this area were collected during 2016 which assayed from nil to 1563.5 g/t Au and 36 samples assayed greater than 31 g/t Au (1 ounce per tonne). Hosted within this area is the **Aamurusko** zone, an area 1150 m long by 700 m wide that produced 133 grab samples averaging 74 g/t Au

Field program 2017/2018

Detailed and regional prospecting, geological mapping, trenching, ground and drone geophysics, soil sampling and drilling were conducted over **Risti** since the initial discovery in 2016. Exploration efforts during the summers of 2017 and 2018 were primarily focused on the high grade **Aamurusko** boulder field. The extent of **Aamurusko** was increased to more than 1.7 km within a greater than 1.3 km wide Northeast-Southwest trending corridor. The **Aamurusko** Zone lies within a broader area of approximately 2.3 km by 3.0 km hosting multiple quartz-tourmaline-Fe-Oxide veins, breccias and stockworks outlined in outcrop, sub outcrop and angular boulders. The limits of these dimensions are constrained only by overburden cover and thus remain open to the Southwest, West and East.

The Company has received assays for 4,986 rock outcrop, sub-outcrop and boulder samples across the entire Risti project, focussed on multiple structures over a distance of approximately 20 km. The average assay of all samples was 8.2 g/t Au. Within the **Aamurusko** mineralized corridor, comprising an area measuring 1.7 km long by 1.3 km wide, a total of 1,210 samples of predominantly large and angular quartz (+/- tourmaline +/- Fe-Oxide) blocks have been sampled. The average assay of these samples was 24.9 g/t Au. Many of these samples contained abundant, coarse visible gold.

The samples reported herein are selective grab samples and are not necessarily representative of the real tenor of mineralization within the host rocks, however they demonstrate the abundance of high-grade gold present within a robust gold mineralized system. To minimize sampling bias (or “high-grading”), Aurion geologists and prospectors indiscriminately sampled quartz vein material. The quartz vein blocks range from 0.1 m to >3 m wide, trend NE-SW and are hosted by quartzites and polymictic conglomerates of the Kumpu Group and mafic volcanics of the Sodankyla Group. The conglomerates are interpreted to be unconformably in contact with the mafic volcanics.

A 5,300 m maiden drill program was completed on **Aamurusko** in February of 2018. Significant assays include 3.9 g/t au over 3m.

A 12,000 m Phase 2 drill program was begun in mid-July 2018 and completed in mid-February 2019. The primary focus was to identify high grade quartz veining related to concealed/blind structures that border the northern extent of the boulder field. The **Aamurusko** boulder field comprising 1,210 angular boulders that assayed an average of 25 g/t Au (previously disclosed) is > 1.3 km wide.

To date, sixty-eight of eighty-two (83%) drillholes completed at **Aamurusko** (Main and Northwest) have intersected gold mineralization. Seventeen have intercepts of 15 g/t Au or higher. Gold mineralization has been intersected in multiple rock types to a depth of 180 m below surface. Mineralization remains open at Aamurusko. A summary table of drill intercepts is presented below.

Drilling over 250 m of the eastern extent of the **Aamurusko** boulder field continues to support the presence of a mineralized shoot. Mineralized boulder fields stretching 1 km to the west of these intercepts remain unsourced, suggesting additional near-surface mineralization is present.

Aamurusko Summary

Gold mineralization intersected at shallow depths (40-60 m vertically from surface) expands known mineralization in an area that is now estimated to be 100 m long in an east-west orientation with a sub-vertical distance of 150 m. Multiple high-grade (anything greater than 10 g/t Au is considered high-grade here) intercepts occur in this area. While true widths are unknown at this time, the ability to successfully target and intercept gold mineralization with drill step outs both vertically and horizontally suggests that the mineralization appears to form part of a coherent body or shoot.

This mineralization lies proximal to the faulted/sheared contact between a gabbro intrusive and sedimentary rocks. Mineralization remains open at depth.

The current drilling has been focused over an east-west distance of approximately 250 m at the eastern extent of the boulder field. This suggests that the mineralization encountered there is only one source of the many high-grade boulders at **Aamurusko**. Gold mineralization was also intersected in 500 and 800 m step out drillholes to the west-northwest providing further evidence that additional near surface gold mineralization may exist in the same geological/structural setting west of the current main focus of drilling.

Drilling Highlights							
Aamurusko							
HOLE_ID	Azimuth	Dip	FROM_m	TO_m	Width_m	Au_ppm (g/t)	Comments
AM18026	110	-55.4	181.90	182.50	0.60	25.00	
AND			190.30	191.30	1.00	5.03	
AM18035	200	-44.5	26.30	28.04	1.74	9.62	
incl			26.30	26.94	0.64	23.30	
AND			36.65	38.20	1.55	8.74	
incl			37.18	37.70	0.52	24.80	
AND			53.50	58.70	5.20	12.45	
incl			53.50	54.05	0.55	7.46	
incl			54.50	55.00	0.50	66.70	
incl			57.65	58.14	0.49	54.30	
AM18042	180	-45.0	116.10	119.00	2.90	789.06	
incl			116.10	116.75	0.65	3510.00	1.1 m of lost core from 116.75 to 117.85 m; assigned a value of 0 ppm
incl			117.85	119.00	1.15	5.89	
AM18051	180	-58.0	114.30	115.40	1.10	17.46	25 m downdip undercut of 42
incl			114.95	115.40	0.45	39.40	
AM18053	163	-59.0	202.50	203.70	1.20	4.76	Highly anomalous Pb-Zn-As
incl			202.50	203.00	0.50	9.12	Highly anomalous Pb-Zn-As
AM18056	180	-45.0	31.00	32.00	1.00	4.22	
AM18061	155	-61.0	30.45	31.45	1.00	6.46	
AM18062	164	-58.2	47.00	47.55	0.55	7.83	
AM18063	150	-55.0	25.00	26.00	1.00	4.95	
AM18064	180	-45.0	129.70	130.30	0.60	13.70	Hole terminated in mineralization at 130.3 m depth
AM18075	350	-44.3	176.00	177.80	1.80	17.06	
incl			176.00	176.60	0.60	26.20	
incl			176.60	177.25	0.65	23.00	
AND			246.35	250.00	3.65	4.56	
incl			246.35	246.85	0.50	29.20	
AM18077	0	-45.2	41.45	42.00	0.55	9.43	
AND			43.00	43.60	0.60	10.60	
AM19080	0	-43.9	172.80	173.30	0.50	23.40	1.62% Pb and 3.13% Zn
AM19081	5	-39.0	48.80	53.55	4.75	24.50	
incl			51.20	52.00	0.80	45.70	
AM19082	320	-39.2	40.00	44.00	4.00	42.28	
incl			41.90	43.30	1.40	110.90	
incl			41.90	42.60	0.70	172.00	
incl			42.60	43.30	0.70	49.80	
AM19083	325	-39.2	114.65	115.60	0.95	5.00	
AM19087	357	-40.3	60.15	60.65	0.50	4.21	
AM19088	138	-49.9	50.40	50.90	0.50	24.80	
All widths are core widths. True width is not known at this time.							
All assay values are uncut.							

Risti - Other Prospects

Kaaresselka

Located approximately 4 km south-southwest of **Aamurusko**, the 315 ha **Kaaresselka** project comprises multiple shear zone hosted gold zones that are up to 16 m wide and 650 m long, adjacent to the Sirkka Shear Zone. Multiple high-grade drill intercepts including 11.0 g/t Au over 4.9 m, 13.5 g/t Au over 2.75 m, and 45.0 g/t Au over 2.0 m have been reported. Mineralization there was initially discovered by GTK who subsequently performed extensive geochemical and geophysical surveying, trenching and diamond drilling. Tertiary Minerals plc. (“Tertiary”), an AIM traded company building a strategic position in the fluorspar sector, acquired the project by staking in 2003 and subsequently completed limited geochemical and geophysical surveys followed by drilling. No exploration has been conducted since 2004. All mineralized zones remain open along strike and down dip.

In 2016, the Company purchased **Kaaresselka** from Tertiary. In addition to **Kaaresselka**, the Company purchased the **Kiekeromaa** gold project. The **Kaaresselka** and **Kiekeromaa** gold projects were considered non-core assets by Tertiary.

The Company paid £15,000 in cash and issued 83,072 shares to Tertiary for 100% interest in both projects subject to certain royalties including a Pre-Production Royalty of US\$1.00 to \$3.00/ounce gold following the definition of a NI 43-101 (or equivalent) Code compliant Inferred, Indicated and/or Measured Mineral Resource Estimate respectively, on either project. Tertiary will retain a 2% Net Smelter Returns Royalty (“NSR”) on all future gold production from either property of which the Company can purchase 50% for USD\$1,000,000 at any time prior to commencement of commercial production on either project.

Field Program 2017/2018

A drill core relogging and resampling program was undertaken with a view to developing a comprehensive 3D model for future drill targeting.

Notches

Beginning approximately 3 km east of **Aamurusko**, reconnaissance prospecting has outlined widespread stockwork and breccia-style quartz veins exposed in boulders, suboutcrop and bedrock over a distance of approximately 5 km by 0.7 km. A total of 1,700 samples have been collected assaying an average of grade of 3.6 g/t Au. Coarse visible gold has been noted here.

Field Program 2018

During 2018 field season, extensive trenching was completed over an area of 1.9 km by 0.4 km. Gold mineralization was encountered in all trenches and most significantly gold mineralization was discovered in conglomerate during trenching and may represent a new style of mineralization on the **Risti** property. A single trench targeting mineralized quartz boulders assaying up to 3.5 g/t Au encountered a pervasively altered and mineralized 5-15 m wide polymictic conglomerate bed cut by a quartz vein stockwork and veins up to 1.4 m wide. The conglomerate hosts pervasive silica-sulfide alteration and mineralization with 1 to 15% sulfides (pyrrhotite-pyrite-chalcopyrite-galena) plus magnetite, tourmaline and rare visible gold. This trench was dug in a north-south orientation (which was the last trench dug due to the onset of winter weather) only exposed a small portion of the mineralized conglomerate. The conglomerate has been mapped over 300 m along strike and has a coincident weak to moderately high magnetic signature due to the presence of magnetite and pyrrhotite. The best assay from the polymictic conglomerate was **3.2 g/t Au over 4.40 m** including **8.94 g/t Au over 0.87 m**. The best channel sample from the vein was **3.54 g/t Au over 0.6 m**.

A total of 6 drillholes were completed at Notches. The highlights include two drillholes completed to test the conglomerate target, encountering the altered and mineralized conglomerate and extensive quartz veining. The conglomerate assayed up to **8.24 g/t Au over 0.60 m** and individual quartz veins assayed up to **20.30 g/t Au over 0.65 m**.

This target including many others will be followed up in 2019.

Drilling Highlights							
Notches							
NT18001	162	-43.8	63.35	64.10	0.75	1.82	
NT18004	110	-45.4	27.80	28.60	0.80	4.54	
NT18005	75	-45.1	31.40	33.50	2.10	2.99	
incl			31.40	32.00	0.60	8.24	
AND			54.50	55.50	1.00	2.23	
NT18006	75	-43.7	27.40	29.05	1.65	8.23	
incl			27.40	28.05	0.65	20.30	
AND			84.20	85.80	1.60	0.77	
All widths are core widths. True width is not known at this time.							
All assay values are uncut.							

YNOT

Approximately 3.5 km west-northwest of **Aamurusko**, six trenches were excavated, washed, mapped and saw-cut channel sampled over a west-east distance of 260 m. This trenching was following up high grade boulders on surface. An east-west quartz vein system hosted by moderate to strong iron carbonate alteration up to 10 m wide was identified in 5 of 6 trenches.

The best channel samples were from trench one which assayed up to **7.18 g/t Au over 1.52 m** including **31.50 g/t Au over 0.34 m**. A parallel vein assayed **17.55 g/t Au over 0.6 m**. Altered wallrock adjacent to the veining assayed up to 0.47 g/t Au over 6.05 m. Four selective grab samples of the veins assayed between **20.10 to 131.00 g/t Au**.

The next best channel sample came from trench 2 assaying 2.86 g/t Au over 0.27 m and 2.56 g/t Au over 0.43 m. The remaining trenches returned only anomalous values. High grade boulders have been sampled to east, southeast and southwest. They represent targets for follow-up trenching in 2019.

LAUNI EAST

Reconnaissance prospecting on the Company's wholly owned 4,250-hectare **Launi East** project has resulted in the discovery of several zones of gold mineralization comprising angular quartz boulders and outcrop over an area of approximately 2.0 km². A total of 399 rock samples assayed from **nil to 379.0 g/t Au and average 2.47 g/t Au**.

Individual veins can be traced for > 100 m in outcrop and sub-outcrop and are generally < 1.0 m wide but can reach up to 1.9 m width. One (Prospect Area 1) zone of quartz veining comprising multiple parallel 5-30 cm wide individual quartz veins within a 2-5 m wide zone was traced for > 115 m. A total of 52 rock chip grab samples were collected over this distance, assaying from **nil to 74.30 g/t Au, averaging 10.00 g/t Au**. A total of 12 outcrop samples were collected over a distance of 90 m within the trend. They assayed from 0.009 g/t Au to 74.3 g/t Au, including **5 outcrop samples that assayed 74.30, 52.90, 48.60, 38.00 and 28.70 g/t Au**. Significant alteration including fuchsite, tourmaline, sericite and iron-carbonate is widespread throughout the property.

These showings are within 1 km of a major flexure in the > 125 km long regional scale Sirkka Shear Zone which the property straddles. Aurion controls land holdings covering approximately 80 km of the Sirkka Shear Zone.

The **Launi East** property lies approximately 8-10 km south of the **Risti** Project, 10 km northwest of the Municipality of Sodankyla and is easily accessed by gravel road. The property has had no documented history of mineral exploration or mineral claims. The **Launi East** Exploration Licence was recently granted and came into validity on January 21, 2019.

The sampling to date is preliminary in nature, and consists primarily of grab samples of sub-outcrop, outcrop and quartz boulders in glacial till. Although every effort is made to ensure that the samples are representative, the very nature of this type of sampling involves natural variations and inconsistencies. Insufficient work has been carried out to date in order to determine the source of many of the mineralized quartz boulders.

RUOPPA

The **Ruoppa** project target comprises an open-ended 2.3 km long zone of anomalous gold samples, within an overall target greater than 7 km long. The mineralization is hosted by a swarm of felsic dykes occurring along the sheared/faulted margin of a granitoid body. The association of quartz-carbonate veins with free

gold and high bismuth within felsic dykes is very similar to Agnico Eagle Mines Limited (Agnico”) Kuotko gold deposit (1,800,000 tonnes grading 2.9 g/t Au; see Agnico’s Annual Report).

Additionally, a new target area with similar style mineralization has been identified up to 3 km northeast of the primary target area. Analytical results from 210 rock chip samples collected from outcrop, sub outcrop and angular boulders assayed from nil to 14.4 g/t Au including 25 samples which assayed greater than 1.0 g/t Au. Detailed soil/till geochemical sampling was also conducted on two targets located 2.5 and 2.7 km east and northeast of the main **Ruoppa** prospect. The assay results were anomalous over a wide area demonstrating further work was warranted on these targets.

Field program 2017/2018

Mapping, prospecting and trenching were conducted at **Ruoppa** in 2017. Results returned anomalous values and overburden limited the program. No work was performed on the **Ruoppa** project in 2018. The company is aiming to find a JV partner in 2019.

SILA (Silasselka)

The **Sila** target covers approximately 11 km along the northern strike extension of the HSZ, within sheared meta-volcanics and meta-sediments sandwiched between two large intrusive bodies. The Hanhimaa Shear Zone (HSZ) south of **Sila** hosts several gold occurrences, which have reported drill intersections of 4.5 g/t Au over 11.7 m and 5.9 g/t Au over 7.5 m (Agnico Annual report 2015).

The Company has identified extensive mineralization in quartz veins and silicified meta-volcanic and meta-sedimentary rocks. Assays from 56 rock samples collected over a distance of 6.5 km ranged from nil to 219 g/t Au and nil to 5,410 ppm As. Numerous till samples assayed up to 0.7 g/t Au within this trend and up to 1.12 g/t Au elsewhere on the property. The gold-arsenic association at **Sila** is similar to the Kittila deposit.

Sila is also host to four vanadium-rich magnetite zones located along a 16 km long magnetic anomaly. Approximately 7,400 metres of historical drilling over 72 holes has been completed on the property.

Sila was acquired along with **Kutuvuoma**, subject to a binding Letter of Intent with from Dragon Mining Limited (“Dragon”) in March 2014. According to the terms of the Letter of Intent, the Company finalized and signed a definitive Purchase Agreement on May 26, 2014. Pursuant to the terms of the Purchase Agreement and subject to regulatory approvals, the Company issued a total of 6,750,000 common shares to Dragon. The Company has also committed to incur a total of €1,000,000 in expenditures on these properties over three years. In addition, Dragon will retain a 3% Net Smelter Royalty (“NSR”) on any deposit mined by the Company within the projects or any defined Area of Interests. The NSR can be purchased at any time on or before the sixth anniversary of signing the Purchase Agreement with a single cash payment of €1,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of €2,000,000 in cash or equivalent in common shares of the Company for the defining of 1,000,000 ounces of gold material and €1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional 1,000,000 ounces of gold equivalent material within the projects and the defined Area of Interests.

On September 1, 2016 the Company notified Dragon that it had fulfilled all the requirements under the agreements thus earning its 100% interest subject to the aforementioned royalties.

Field program 2017/2018

A 500 sample BoT survey was completed at the **Sila** project in 2017, covering approximately 4.5 km along the northern strike extension of the HSZ. No work was conducted on **Sila** during 2018.

On April 24, 2019, the Company entered into an option agreement with Strategic Resources Inc. ("Strategic") to grant Strategic the option to earn a 100% interest in the Company's wholly owned **Silasselka** Vanadium Project in northern Finland. Under the terms of the option agreement, Strategic may acquire up to 100% interest in the project by paying \$500,000 cash, issuing 8,000,000 Strategic shares and incurring \$3,000,000 in exploration expenditures, through a two stage earn-in over a period of three years. The agreement is subject to Exchange approval.

Finland Properties Subject to Partnership Agreements:

B2GOLD JOINT VENTURE, KUTUVUOMA/ AHVENJARVI

On August 13, 2015, the Company signed a binding Letter Agreement with B2Gold Corp., ("B2Gold"), granting B2Gold the right to earn up to an undivided 75% interest of an approximately 25,000 ha project area that includes the **Kutuvuoma**, and **Ahvenjarvi** projects. Pursuant to the terms of the Letter Agreement, the Company formalized and signed a definitive Option Agreement with B2Gold on January 18, 2016.

Under the terms of the Letter Agreement B2Gold must complete \$5,000,000 in exploration expenditures, pay Aurion \$50,000 cash and issue 550,000 B2Gold shares over 4 years to earn a 51% interest. B2Gold can earn an additional 19% interest by spending a further \$10,000,000 over 2 years. B2Gold can earn an additional 5% interest (for a total of 75%) by completing a bankable feasibility study.

The first-year commitment of \$750,000 in exploration expenditures including 2000 m of drilling and payment of \$50,000 cash and 50,000 B2Gold shares is guaranteed. A finder's fee was paid by the Company with respect to this transaction was settled on April 29, 2016 by the issuance of 1,476,750 common shares at a value of \$0.13 per share. The Company subsequently agreed to a reduced drilling program for the first year.

As of April 24, 2019, B2Gold is compliant with the terms of the agreement.

Kutuvuoma and Ahvenjarvi

Kutuvuoma was acquired along with **Sila**, subject to a binding Letter of Intent with from Dragon in March 2014. **Kutuvuoma** is subject to the conditions previously described for **Sila**.

Bedrock geology at **Kutuvuoma** is dominated by east to southeast trending Paleoproterozoic volcanic-sedimentary sequences of the CLGB's Savukoski Group and currently defined gold mineralization on the property occurs in association with sulphide-bearing quartz vein arrays, with disseminated sulphides in altered, albitic, silicious meta-mudstones and meta-igneous rocks as well as in sulphide matrix breccias. The main deposit at **Kutuvuoma** occurs as a moderately west-plunging zone localized along a south dipping, sheared graphitic unit within sheared and altered Savukoski Group country rocks. These include komatiites as well as graphitic-sulphidic schist, fine grained meta-sandstone and thin interbedded marble.

Historical Results

The **Kutuvuoma** deposit is a high-grade, shear zone hosted gold deposit that was discovered in the mid-1990's by Outokumpu Oy, a publicly listed company in which the Finnish state is a controlling shareholder. Outokumpu Oy drilled 47 shallow core and reverse circulation drillholes totaling 3,425 m, testing **Kutuvuoma** within a very small area (approximately 175 m horizontally and 175 m vertically). No other drilling or trenching was conducted since the mid-1990's. Numerous high grade drill intercepts including 7.2 g/t Au over 19.4 m from 60 m downhole, 13.2 g/t Au over 5.0 m from 88 m downhole and 12.6 g/t Au over 7.0 m from 26 m downhole were recorded from the historical drilling. True width of the mineralization is

estimated to be approximately 70-80% of drill intercepts.

Historical exploration prior to Aurion on the large **Kutuvuoma** property has largely been focused in the immediate area of the drilled deposit, with only regional scale surveys being applied to a portion of the rest of the holding.

The **Kutuvuoma** trend has very few natural bedrock exposures, however, with a limited amount of exploration work (and time in the field) trenching, soil sampling, BoT sampling and prospecting has defined an open-ended mineralized trend greater than 5 km long where only limited drilling was conducted in the past, over a small area at the **Kutuvuoma** deposit.

Metallurgical tests undertaken during 2015 to examine the response of two composite surface trench samples to various processes for the concentration and recovery of the contained gold and to get a general view of the project metallurgy. The response of the samples to whole ore cyanide leaching and to concentration by froth flotation and gravity separation was examined by SGS Canada Inc. at their Lakefield Ontario laboratory.

The samples responded well to all of the processes tested, with gold recoveries by a combination of methods in excess of 98% for both samples, including 80-84% recovery by gravity method alone. The material tested indicates the two areas tested would not require any treatment out of the ordinary. A much more extensive program would be required as the project develops.

Reconnaissance prospecting, geological mapping and trenching were conducted within the joint venture area of interest during the 2016 field season with encouraging results. Additionally, following several months of data compilation and analysis, 78 specific exploration targets were identified.

B2Gold initiated a small drill program in September 2016 comprising 5 drill holes for 535m. The drill program was designed to test the lateral continuity of the **Kutuvuoma** system. The drill program comprised 5 HQ sized diamond drillholes with total meterage of 535 m. Two holes were drilled west of the **Kutuvuoma** deposit, one into the deposit and two east of the deposit over an aggregate distance of approximately 1 km. The program was designed to test for lateral continuity of the **Kutuvuoma** main mineralized zone east and west of the **Kutuvuoma** deposit.

The best hole of the 2016 program was drillhole KU16003 which was drilled into the known deposit. It intersected two mineralized zones, the first zone assayed 8.59 g/t Au over 2.15 m starting at 21.4 m downhole. The second zone assayed 11.37 g/t Au over 13.3 m starting at 71.85 m downhole. The upper zone intersection occurs in the structural hanging wall and represents a promising zone to follow up. Previous hanging wall intercepts include 96.5 g/t Au over 1.2 m from Outokumpu ddh KUV-47, drilled in 1993. The second zone was a twin of Outokumpu ddh KUV-36 which assayed 7.2 g/t Au over 19.4 m, also drilled in 1993.

All holes intersected the main **Kutuvuoma** horizon and were variably mineralized. Hole KU16001 located approximately 370 m west of the **Kutuvuoma** deposit intersected a zone assaying 1.76 g/t Au over 8.85 m starting at 38.55 m downhole. Hole KU16004 was drilled 240 m west of the deposit and intersected a 27.35 m wide zone of anomalous gold assaying 0.1 to 0.4 g/t Au with a best assay of 2.21 g/t Au over 1.2 m starting at 71.1 m downhole. Hole KU16002 was drilled approximately 100 m east of the deposit and intersected a mineralized zone at 42.55 m downhole which assayed 1.43 g/t Au over 5.05 m. Hole KU16005 was a 650 m step-out to the east of the deposit and intersected a 32.9 m wide zone of anomalous mineralization assaying 0.1-0.4 g/t Au including 2.4 g/t Au over 0.65 m starting at 60.75 m downhole and 10.1 g/t Au over 0.45 m starting at 65.35 m downhole. The deposit remains open at depth and along strike in both directions.

Kutuvuoma 2016 drill results summary

HoleID	From (m)	To (m)	Length (m)	Au (g/t)
KU16001	38.65	47.50	8.85	1.76
Incl	43.45	44.70	1.25	5.60
KU16002	42.55	47.60	5.05	1.67
Incl	46.70	47.60	0.90	6.19
KU16003	21.40	23.55	2.15	8.59
Incl	22.35	23.55	1.20	11.05
And	71.85	85.15	13.3	11.37
Incl	72.40	73.60	1.20	16.65
Incl	76.65	77.30	0.65	26.30
Incl	78.40	79.60	1.20	24.60
Incl	79.60	80.80	1.20	47.00
KU16004	71.10	72.30	1.20	2.21
KU16005	60.75	61.40	0.65	2.41
And	65.35	65.80	0.45	10.10

Note: assay composites were calculated using uncut assays and are reported as drilled lengths. All drill intercepts are downhole widths, true widths appear to be approximately 80-85% of downhole widths but there has been insufficient drilling to date to sufficiently determine true widths.

The **Ahvenjarvi** project is located in Northern Finland, approximately 20 km west of the **Kutuvuoma** property. Mineralization at the property consists of a widespread millimeter to meter scale quartz-tourmaline-pyrite veins hosted by sandstone and conglomerate within a wide zone of strong silica and potassic (sericite and k-feldspar) alteration and brecciation with abundant iron oxide (magnetite and specular hematite) mineralization. Visible gold is common within the veins.

Through 2016, the company has identified quartz-tourmaline-pyrite veins in angular boulders, sub outcrop and outcrop occurring over a distance of > 2.0 km that have assayed from nil to 33.0 g/t Au. Vein widths range from 5 cm to >1.5 m wide. The most significant mineralization occurs in a 200m by 200 m area ("Plateau Prospect") where 54 rock samples of intensely veined, brecciated and sulfide/oxide mineralized material assayed from nil to 33.0 g/t Au including 6 samples which assayed greater than 10 g/t Au (33.0, 17.4, 16.5, 15.7, 14.4 and 13.2 g/t Au). The aforementioned samples are "grab" samples.

Much of this mineralization identified form several parallel trends greater than 500m long over a greater than 2 km distance in a new NE-SW orientation. This trend of mineralization appears to be associated with an interpreted fault system along or parallel to the NE-SW oriented axial plane or center line of a folded sequence of quartzites and mafic volcanics.

Previously a wide zone of gold mineralization to the west of this new mineralization was outlined over an area measuring 2,300m long and up to 700m wide, assaying up to 28.8 g/t Au and averaging 0.81 g/t Au, in a generally north-south orientation, however, the structural control of this mineralization was not understood.

Field Program 2017/2018

B2Gold has expended approximately US\$3.5 million during the 2017-18 field seasons. The bulk of these programs was extensive property wide BoT sampling program, followup trenching and mapping. A small drilling program on the Tepsa target was completed with no significant results reported.

Kiekerömaa

Located approximately 7 km south-southwest from **Kutuvuoma**, the 840 ha **Kiekerömaa** project hosts gold mineralization over a strike length of 300 m. The prospect was discovered by Outokumpu Oy in the late 1990s while exploring for base metals. Tertiary acquired the prospect in 2003 by staking the ground and completed a small drill program in 2011. Historic drill intercepts from limited drilling by Outokumpu Oy and Tertiary include 5.8 g/t Au over 5.0 m, 7.4 g/t Au over 2.0 m and 3.6 g/t Au over 4.6 m. The mineralization remains open in all directions.

Kiekerömaa was purchased along with **Kaaresselka** from Tertiary. **Kiekerömaa** is subject to the conditions previously described for **Kaaresselkä**. It also falls within the B2Gold joint venture area of interest.

KINROSS JOINT VENTURE, OUTA

On January 31, 2018, the Company signed a non-binding LOI with Kinross, giving Kinross the right to earn an undivided 70 % interest in the **Outa** project.

Under the terms of the LOI, Kinross must spend \$5-million (U.S.) over five years to earn a 70-percent interest in the project. Kinross has agreed to complete a firm \$1-million (U.S.) exploration expenditure over the first two years. A definitive option agreement was signed on August 17, 2018 pursuant to the terms of the LOI.

OUTA

The **Outa** project covers approximately 15,000 ha in the CLGB of northern Finland. It is primarily underlain by meta-sedimentary rocks (polymictic conglomerates and quartzites) of the Kumpu Group in a setting similar to the Company's **Risti** project. The Company acquired the project following the discovery of the **Aamurusko** gold prospect in late 2016. Limited historical exploration work by the Geological Survey of Finland (GTK) documented possible paleo-placer style gold mineralization at the south end of the project. Shallow drilling by GTK intersected 121 g/t Au over 1.5 m. Most of the greater than 15 km long unconformity between Kumpu Group clastics and Kittila Group mafic volcanics within the **Outa** project area has never been explored.

Field program 2017/2018

Two days prospecting was completed at **Outa** in 2017. Anomalous gold was identified in outcrop up to 0.65 g/t Au. In 2018, Kinross completed an approximately US\$1 million exploration program comprising mapping, prospecting, property wide gravity and magnetic geophysical and soil geochemical surveys in 2018. A budget and program is being prepared for 2019.

UNITED STATES

Nevada Properties Not Subject to Partnership Agreements:

BULL

On January 6, 2011, the Company signed an Option Agreement with Genesis, whereby it has an option to purchase a 100% interest in 16 unpatented claims, subject to a 2% NSR, by making annual cash payments starting at US\$10,000 (paid) increasing to a maximum US\$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US\$3,000,000 cash payment less any

payments already made. The Company also staked an additional 283 claims covering prospective geology surrounding these claims.

On November 15, 2012, the Company signed a definitive "Exploration, Development and Mine Operating" agreement with Midway Gold US Inc. ("Midway") on the **Bull** project. Under the terms of the agreement Midway can earn an initial 50% interest by completing \$2,000,000 in exploration expenditures over 5 years, upon which it can elect to either declare a 50-50 agreement or spend a further \$2,000,000 over 2 years to earn an additional 20% for a total 70% interest. Midway can also earn an additional 5% (75% total) by arranging mine financing. Midway will also maintain the underlying Option Agreement and make all claims maintenance fees through the agreement. Midway also reimbursed the Company for claims maintenance fees paid in September 2012, of approximately \$53,000. On October 18, 2016, the Company received notice of termination of the Exploration, Development and Mine Operating Agreement with Midway.

On November 5, 2016, the Company signed a Letter Agreement to amend the terms of the Bull Property Option Agreement with Genesis for the second time. Under the terms of the amendment, the lease payment for 2017 will be waived and the lease payments for the years 2018 through 2027 will remain at US\$125,000 per year.

On December 1, 2017, the Company entered into a Restated Mineral Lease and Option to Purchase Agreement to replace the original agreement entered into with Genesis on January 6, 2011 for the Bull Property. Under the terms of the agreement, with US\$10,000 is due on signing and the annual lease payments will resume on December 1, 2018 starting at US\$15,000 and increasing each year to US\$95,000 by 2028. Lease payments for the years 2029 through 2031 will remain at US\$100,000 per year. The option to purchase can be executed at any time by making a one-time US\$3,000,000 cash payment less any payments already made.

The **Bull** property is located in east-central Nevada, approximately 31 km southeast of Eureka, on the southern extension of the prolific Battle Mountain-Eureka Trend, and hosts several small outcrops of gold-bearing jasperoid in a shallow pediment at the contact between the Joanna Limestone and Chainman Shale. In 1992, BHP drilled 7 shallow reverse circulation holes. The best intercept was 3 m of 2.05 g/t Au within a 9.15 m intercept grading 1.15 g/t Au starting at approximately 15 m below the surface. Gold mineralization is associated with low silver, high antimony, arsenic and mercury values typical of the geochemical signature in Carlin-style mineral deposits. The area characterized by shallow cover amenable to surface geochemistry and geophysics.

MEXICO

The Company abandoned its exploration activities in Mexico during 2013 and all associated costs were written down however the Company continues to keep in good standing two mineral concessions that were part of the original land position and purchased from a private individual in 2010.

The Company has no immediate plans to restart operations in Mexico. Costs associated with maintaining the two mineral concessions are written down each year until such time as the Company decides to recommence exploration activities.

Qualified Person

Mike Basha, P. Eng., P. Geo., President and CEO of the Company, a Qualified Person as defined by NI 43-101, is responsible for the preparation of the foregoing property reports.

Selected Annual Financial Information

	2018	2017	2016
	\$	\$	\$
Total income	246,365	113,363	53,592
Operating expenses	3,027,650	4,874,739	834,004
Net loss	2,781,285	4,761,376	780,412
Loss per share	0.04	0.08	0.02
Total assets	26,087,108	27,057,523	3,789,940
Long term liabilities	-	-	-
Dividends	-	-	-

Results of Operations

	For the years ended December 31,	
	2018	2017
	\$	\$
General and Administrative	647,257	466,872
Wages and benefits	825,978	636,200
Consulting fees	22,585	38,800
Professional fees	201,051	143,044
Share based payments	1,327,470	3,451,032
Write-down of exploration and evaluation assets	76,250	141,491
Accounting	98,582	77,962
Depreciation	99,248	28,728
Interest and bank charges	7,265	9,468
Property investigation costs	13,270	-
Unrealized gain on marketable securities	(167,000)	(119,198)
Foreign exchange (gain) loss	(2,643)	340
Gain on sale of marketable securities	(121,663)	-
	3,027,650	4,874,739
Interest and other income	246,365	113,363

- Write-down of exploration and evaluation assets is lower by \$65,241 for the year ended December 31, 2018 compared to year ended December 31, 2017. This is due to fewer write downs in the current year.

- Wages and benefits are higher by \$189,778 for the year ended December 31, 2018 compared to the year ended December 31, 2017. This is due mainly to new hires for management and seasonal employees in the current year.

- General and administrative costs are higher by \$180,385 for the year ended December 31, 2018 compared to year ended December 31, 2017. This is due mainly to increased operating costs associated with corporate travel, marketing and attendance at conferences in the current year.

- Consulting fees are lower by \$16,215 for the year ended December 31, 2018 compared to the year ended December 31, 2017. This is due to the current management structure and re-allocation of duties.

- Professional fees are higher by \$58,007 for the year ended December 31, 2018 compared to the year ended December 31, 2017 which is due mainly to higher legal fees associated with general corporate matters incurred in the current period.

- Share-based payments expense is lower by \$2,123,562 for the year ended December 31, 2018 compared to the year ended December 31, 2017 due to the recording of the fair market value of stock options issued as fully vested in the prior year.

- Total expenses are lower by \$1,847,089 for the year ended December 31, 2018 compared to the year ended December 31, 2017 mainly due to the recording of share-based payment expense in the prior year which is offset by higher wages and benefits and general increased activity in the current year.

- Interest and other income is higher by \$133,002 for the year ended December 31, 2018 compared to the year ended December 31, 2017. This is due mainly to higher interest income in the current year due to interest earned on short-term deposits. It is also due to management fee income related to partner agreements that was recorded in the fourth quarter of the current year.

Quarterly Information

	(\$) Write-down of exploration and evaluation assets	(\$) Other expenses	(\$) Interest & Other Income	(\$) Net Loss	(\$) Basic & Diluted Loss per Share
IFRS					
Q4 - December 31, 2018	3,394	826,703	(68,512)	(761,585)	(0.014)
Q3 - September 30, 2018	-	1,260,200	(56,651)	(1,203,549)	(0.017)
Q2 - June 30, 2018	72,856	556,865	(64,270)	(565,451)	(0.008)
Q1 - March 31, 2018	-	307,632	(56,932)	(250,700)	(0.004)
Q4 - December 31, 2017	19,679	878,658	(61,579)	(836,759)	(0.010)
Q3 - September 30, 2017	79,304	306,309	(20,871)	(364,742)	(0.006)
Q2 - June 30, 2017	5,071	3,431,119	(25,147)	(3,411,044)	(0.056)
Q1 - March 31, 2017	37,437	117,160	(5,766)	(148,831)	(0.003)

Fourth Quarter Results

For the three months ended December 31, 2018, the Company recorded a net loss of \$761,585 compared to a net loss of \$836,759 from the prior year, a decrease in the net loss of \$75,174 from the prior year. This is partly due to an adjustment recorded in the fourth quarter to reflect the proportionate share-based payment expense relating to stock options and DSU's issued but not vested.

Financial Condition / Liquidity / Capital Resources

On January 22, 2018, the Company issued 250,000 common shares pursuant to the exercise of stock options for gross proceeds of \$62,500 (\$0.25 per share). The Company also recorded a fair value transfer

between share-based payments reserve and share capital of \$27,910 in connection with the exercise. On January 23, 2018, the Company granted 650,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.00 per share until January 23, 2023. The fair value of the stock options granted was estimated at \$547,103 (\$0.84 per option) based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 1.77%, volatility of 144.6%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The stock options will vest in two tranches, 50% on July 23, 2018 and 50% on January 23, 2019. During the year ended December 31, 2018 the Company recognized \$326,768 in share-based payment expense relating to these stock options.

On March 1, 2018, the Company issued 35,000 common shares pursuant to the exercise of stock options for gross proceeds of \$9,100 (\$0.26 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$9,088 in connection with the exercise.

On March 7, 2018, the Company granted 1,410,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.10 per share until March 7, 2023. The fair value of the stock options granted was estimated at \$1,065,037 (\$0.76 per option) based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 1.94%, volatility of 141.7%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The stock options will vest in two tranches, 50% on September 7, 2018 and 50% on March 7, 2019. During the year the ended December 31, 2018 the Company recognized \$966,404 in share-based payment expense relating to these stock options.

On July 31, 2018, the Company granted 92,592 Deferred Share Units (“DSUs”) to certain officers under its Deferred Share Unit Plan (“DSU Plan”) at a market value of \$0.81 per DSU. These DSUs will vest one third on each of July 31, 2019, July 31, 2020, and July 31, 2021. During the year ended December 31, 2018 the Company recognized \$19,212 in share-based payment expense relating to these DSUs with the offset recorded as a deferred share unit liability.

On August 27, 2018, the Company issued 175,000 common shares pursuant to the exercise of stock options for gross proceeds of \$37,500 (125,000 options at \$0.26 per share and 50,000 options at \$0.10 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$35,157 in connection with the exercise.

On December 18, 2018, the Company granted 275,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.05 per share until December 18, 2023. The fair value of the stock options granted was estimated at \$221,302 (\$0.80 per option) based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 2.26%, volatility of 134.0%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The stock options will vest in two tranches, 50% on June 18, 2019 and 50% on December 18, 2019. During the year ended December 31, 2018 the Company recognized \$11,821 in share-based payment expense relating to these stock options.

On December 18, 2018, the Company granted 141,509 DSUs to certain officers under its DSU Plan at a market value of \$1.06 per DSU. These DSUs will vest one third on each of December 18, 2019, December 18, 2020, and December 18, 2021. During the year ended December 31, 2018 the Company recognized \$3,265 in share-based payment expense relating to these DSUs with the offset recorded as a deferred share unit liability.

On February 6, 2017, the Company issued 50,000 common shares pursuant to the exercise of stock options for gross proceeds of \$13,000 (\$0.26 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$2,700 in connection with the exercise.

On February 24, 2017, the Company issued 5,783,997 common shares at \$1.50 per share for gross

proceeds of \$8,675,996 pursuant to a non-brokered private placement. With respect to this transaction, cash finders' fees of \$520,560, being 6% of the proceeds were paid and 347,039 finders' warrants were issued, being 6% of the number of common shares issued. The fair value of the finders' warrants granted was estimated at \$458,263 (\$1.32 per warrant) based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 0.75%, volatility of 200%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 2 years. The Company incurred other costs of \$59,140 for total share issuance costs in connection with the non-brokered private placement of \$1,037,963.

On March 14, 2017, the Company issued 83,072 common shares to Tertiary valued at \$1.68 per share (total value of \$139,910) for the purchase of two gold projects from Tertiary pursuant to the terms of a purchase agreement dated December 1, 2016.

On March 27, 2017, the Company issued 25,000 common shares pursuant to the exercise of stock options for gross proceeds of \$6,250 (\$0.25 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$2,790 in connection with the exercise.

On April 4, 2017, the Company issued 575,000 common shares pursuant to the exercise of stock options for gross proceeds of \$76,750 (\$0.13 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$35,370 in connection with the exercise.

On April 12, 2017, the Company granted 2,175,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.75 per share until April 12, 2022. The fair value of the stock options granted was estimated at \$3,451,032 (\$1.45 per option) based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 2.04%, volatility of 147.9%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years.

On September 13, 2017, the Company issued 6,853,500 common shares at \$2.32 per share for gross proceeds of \$15,900,120 pursuant to a non-brokered private placement. The Company incurred share issuance costs of \$45,830 in connection with the non-brokered private placement.

On September 14, 2017, the Company issued 17,766 common shares pursuant to the exercise of warrants for gross proceeds of \$26,649 (\$1.50 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$23,485 in connection with the exercise.

On November 3, 2017, the Company issued a total of 250,000 common shares pursuant to the exercise of stock options for gross proceeds of \$49,000. The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$13,500 in connection with the exercise.

On December 27, 2017, the Company issued 7,982 common shares pursuant to the exercise of warrants for gross proceeds of \$11,973 (\$1.50 per share). The Company also recorded a fair value transfer between share-based payments reserve and share capital of \$10,552 in connection with the exercise.

Shares issued subsequent to the year ended December 31, 2018

On March 1, 2019, the Company issued 15,000 common shares pursuant to the exercise of stock options for gross proceeds of \$3,900 (\$0.26 per share).

On April 10, 2019, the Company issued a total of 6,166,300 common shares pursuant private placement at a price of \$1.05 for gross proceeds of \$6,474,615.

Outstanding Share Data

As at April 24, 2019 the following were outstanding:

75,565,008 common shares
328,578 share warrants
6,235,000 stock options
234,101 deferred share units

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Mineral Properties

As at December 31, 2018

Geographical Area	Balance, Beginning of	Additions	Receipts	Properties Written Down	Balance, End of
	Year		From Partners		Year
	\$	\$	\$	\$	\$
Finland	5,774,951	8,545,596	(642,000)	(69,720)	13,608,827
Sweden	234,850	102,249	-	-	337,099
United States	494,114	106,904	-	-	601,018
Mexico	-	6,530	-	(6,530)	-
	6,503,915	8,761,279	(642,000)	(76,250)	14,546,944

As at December 31, 2017

Geographical Area	Balance, Beginning of	Additions	Receipts	Properties Written Down	Balance, End of
	Year		From Partners		Year
	\$	\$	\$	\$	\$
Finland	1,642,844	4,239,004	-	(106,897)	5,774,951
Sweden	-	264,006	-	(29,156)	234,850
United States	422,326	71,788	-	-	494,114
Mexico	-	5,438	-	(5,438)	-
	2,065,170	4,580,236	-	(141,491)	6,503,915

	December 31, 2018				December 31, 2017			
	total	Finland	Sweden	USA/Mexico	total	Finland	Sweden	USA/Mexico
	\$	\$	\$	\$	\$	\$	\$	\$
Aquisitions	39,489	-	-	39,489	477,285	164,594	235,465	77,226
Land Management	1,424,286	1,350,341	-	73,945	1,252,554	1,252,554	-	-
Labour - Operations	2,305,882	2,266,941	38,941	-	790,395	790,395	-	-
Consulting Fees	421,004	421,004	-	-	136,299	124,914	11,385	-
Office Expenses	147,298	147,298	-	-	82,459	80,447	2,012	-
Drilling, Surveying, Assays	3,828,443	3,765,135	63,308	-	1,417,223	1,402,079	15,144	-
Travel, Accomodations	948,152	948,152	-	-	377,399	377,399	-	-
Rentals and Supplies	107,574	107,574	-	-	236,582	236,582	-	-
Total expenditures	9,222,128	9,006,445	102,249	113,434	4,770,197	4,428,965	264,006	77,226
Financed by Partners	(460,849)	(460,849)	-	-	(189,961)	(189,961)	-	-
Total Additions	8,761,279	8,545,596	102,249	113,434	4,580,236	4,239,004	264,006	77,226

Transactions with Related Parties

The following represents a summary of transactions with key management of companies controlled by key management of the Company:

	For the years ended	
	December 31,	
	2018	2017
	\$	\$
Paid to D.R. Loveys & Associates Inc., a company controlled by the former CFO:		
Accounting and management consulting services provided by David Loveys	-	22,575
Amounts expensed as:		
Consulting Fees	-	22,575
Paid to Goodland Buckingham LLP , a company in which a Corporate Director is a partner:		
Legal services provided by Dennis Clarke	-	4,174
Amounts expensed as:		
Professional fees	-	4,174
Compensation for key management personnel not included above:		
Michael Basha, CEO	358,294	628,002
Mark Serdan, CFO	402,568	-
David Loveys	54,270	119,001
Dennis Clarke	54,270	119,001
Other Directors	108,540	238,002
	977,942	1,104,006
Amounts expensed as:		
Salary and other short-term benefits for the CEO	240,500	390,000
Salary and other short-term benefits for the CFO	150,000	-
Directors' Fees	80,000	-
Share-based compensation	507,442	714,006
	977,942	1,104,006

New Accounting Policies

The Company adopted certain new accounting standards and amendments during the year ended December 31, 2018, none of which had a material impact on the Company's financial statements.

On January 1, 2018 the Company adopted IFRS 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, and replaces IAS 39, Financial Instruments: Recognition and measurement. The new standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected

loss” impairment model, and a reformed approach for hedge accounting. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward into IFRS 9, the Company’s accounting policy with respect to financial liabilities is unchanged.

IFRS 16 Leases was issued in January 2016 and is effective for periods beginning on or after January 1, 2019. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company is evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The Company’s Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company’s policies on an ongoing basis to ensure that these risks are appropriately managed, which are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to receivables, which is mainly comprised of government tax refunds. Management believes that the credit risk concentration with respect to financial instruments included in the receivables is not significant. The Company holds cash and invests it in interest bearing deposit accounts at its financial institution. Management believes that the associated credit risk for its invested cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at December 31, 2018, the Company had cash of \$1,475,556 to settle current liabilities of \$839,986. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity or partnering transactions. All of the Company’s financial liabilities are short-term in nature and are subject to normal trade terms.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company’s income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances subject to interest rate risk. The Company’s current policy is to invest excess cash in either interest bearing deposit accounts or Guaranteed Income Certificates (“GICs”) issued by its financial institutions. As of December 31, 2018, the Company held deposits in a short-term savings accounts at a variable interest rate. A 0.5% change in interest rates would change the Company’s net loss by approximately \$37,500. Management believes it has minimal exposure to interest rate risk.

The Company’s short-term investments are comprised of GICs held with Canadian financial institutions which accrue interest at an average rate of 1.53%. As at December 31, 2018, the Company holds six GICs with a combined principal of \$7,500,000 (December 31, 2017 – four GICs with a combined principal of \$7,500,000 (December 31, 2017 – four GICs with a combined principal of \$7,560,000). As at December 31, 2018, the carrying value of the Company’s short-term investments includes \$125,533 of accrued interest (December 31, 2017 - \$59,425).

(b) Foreign exchange risk - The Company transacts certain business in Euro, Swedish Kroner, U.S. Dollars and Mexican Pesos, and therefore is subject to foreign exchange risk on certain receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its foreign exchange inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal.

The following table shows the net exposures in US dollars, Swedish Kroner and Euro at December 31, 2018.

	US\$	Euro	SEK
Cash	42,819	173,260	3,444,028
Receivables	-	413,535	-
Trade payables	(74,389)	(259,871)	-
Net currency exposure	(31,570)	326,924	3,444,028

Based on the above currency exposures, a 10% change in the value of each currency to the value of the Canadian dollar would impact the Company's net loss by:

	US\$	Euro	SEK
	(3,157)	32,692	344,403

(c) Equity risk - The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the December 31, 2018 value of the marketable securities every 10% increase or decrease in the share prices of these companies would have impacted the loss for the period, up or down, by approximately \$119,700 (2017 - \$48,115).

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods:

Exploration and evaluation assets

The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate that the carrying value may be impaired, at which time an impairment loss is recorded.

Receivables

The Company reviews its receivables on a regular basis and makes estimates of any amounts which are not expected to be collected. If such doubt exists, an allowance for doubtful accounts will be recorded.

Property and equipment

The Company reviews the estimated useful lives of property and equipment at the end of each reporting period to ensure assumptions are still valid.

Share-based payments

The Company makes certain estimates and assumptions when calculating the fair values of stock options and warrants granted. The significant assumptions used include estimates of expected volatility, expected life and the expected risk-free rate of return. Changes in these assumptions may result in a material change to

the expense recorded for the issuance of stock options and warrants.

Functional currency

The Company has determined the functional currency of each entity is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Going concern

The Company must assess its ability to continue as a going concern. Factors that affect this determination include current cash and investments, budgeted expenditures for future periods and the conditions of the market for exploration companies.

Management's Responsibility for Financial Statements

The Board of Directors carries out its responsibility for the consolidated financial statements primarily through the audit committee which is composed primarily of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

Risks and Uncertainties

The Company is principally involved in mineral exploration which is an inherently high-risk activity. Exploration is also capital intensive and the Company has no sources of funding other than exploration partner financing arrangements with other mining and exploration companies and equity financing. Only the skills of management and staff in mineral exploration and exploration financing serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to attract partners and to raise financing.

The Company is currently evaluating its properties and looking for new business opportunities and has a risk of not finding any property or investment that may lead to profitable operations. There can be no assurances that the shareholders will realize any profits from their investment in the Company and may lose their entire investment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. Exploration activity is also dependent on the laws of local governments which may change from time to time, and, may have an effect on the Company's exploration programs.

Additional Information

The Company's shares are traded on the TSX Venture Exchange under the stock symbol AU. Financial statements, press releases issued by the Company and all other regulatory filings, including those issued during the year ended December 31, 2018, are available through www.sedar.com.