Management's Discussion & Analysis of

Financial Conditions & Results of Operations

December 31, 2017

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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 20, 2018 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2017 where necessary. All dollar figures included therein and in the following Management 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.

The Company was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and listed on 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.

Mineral Exploration Properties

Finland

The Company began operating in Finland in early 2014 and currently holds tenements covering approximately 200,000 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 **Aamarusko**, 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 Kittila.

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 **Aamarusko**, and the Saattopora deposit located 82 km northwest of **Aamarusko**. 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 Hanhimaa Shear Zone (HSZ) parallels the Kiistala structure and is located about 10 km to the west of it. Significant new gold occurrences on the Hanhimaa 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 Hanhimaa 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 drill holes 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 (see news release dated: February 1, 2017).

Risti/ Kaaresselkä

Located approximately 4 km south-southwest of **Aamurusko**, the 315 ha **Kaaresselkä** 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 2.75m, and 45.0 g/t Au over 2.0m 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 **Kaaresselkä** from Tertiary. In addition to **Kaaresselkä**, the Company purchased the **Kiekerömaa** gold project. The **Kaaresselkä** and **Kiekerömaa** gold projects were considered non-core assets by Tertiary.

Aurion 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 Aurion can purchase 50% for USD$1,000,000 at any time prior to commencement of commercial production on either project.

Risti field program 2017/2018

Detailed and regional prospecting, geological mapping, and soil sampling were conducted over **Risti**. Exploration efforts during the summer of 2017 were primarily focused on the high grade **Aamurusko** boulder field. The extent of **Aamurusko** was increased to more than 1.4 km within a greater than 2.5 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.

Aurion completed a detailed ground magnetic survey over the **Aamurusko** corridor as well as a 50-100 m spaced resistivity survey and 50-100 m spaced soil survey to aid in drill targeting.

Aurion has received assays for 2,757 rock outcrop, sub-outcrop and boulder samples across the entire Risti project, focussed on multiple regional unconformities over a distance of approximately 20 km. The average assay of all samples was 10.1 g/t Au. Within the **Aamurusko** mineralized corridor, comprising an area measuring 1.4 km long by 2.5 km wide, a total of 1,076 samples of predominantly large and angular quartz (+/- tourmaline +/- Fe-Oxide) blocks have been sampled. The average assay of these samples was 24.7 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 5300 m maiden drill program was completed on **Aamurusko** in February of 2018. Significant assays received to date include 3.9 g/t au over 3m (see news release dated: January 17/2018). The first drill hole of the program to intersect significant veining and/or mineralization was AM17013. All subsequent drill holes (AM17014 to AM17021) also encountered zones of quartz veining and stockworking.

It is the Company's belief that these structures represent the source of much of the quartz within the **Aamurusko** trend but it has not yet discovered the source of the high-grade boulders within these structures.

Risti Regional Exploration

Continuing regional reconnaissance prospecting has focused on the regional unconformities between the Kumpu Group clastic sediments and the mafic and ultramafic rocks of the Savukoski Group. This has resulted in several new early-stage gold discoveries throughout the **Risti** project.

Risti Notches discovery

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. A total of 622 samples have been collected so far. The highlights include seven samples which assayed greater than 10 g/t gold, including two which assayed 420 and 622 g/t gold. Coarse visible gold has been noted here.

Risti K2 discovery (Kaaresselkä)

A cluster of quartz blocks up to two cubic metres in size was discovered subcropping over a 100 m distance approximately 1.7 km southwest along strike from the **Aamurusko** prospect. These quartz blocks assayed from nil to 166 g/t gold with visible gold noted. Sixty-six samples were collected with eight samples assaying above one g/t gold, including highs of 12.15 g/t and 166 g/t gold. The area between K2 and the southern end of the **Aamurusko** trend is low lying and overburden covered. The K2 discovery is within the boundaries of **Kaaresselkä** and is thus subject to the previously described conditions between the Company and Tertiary.

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 **Kaaresselkä** from Tertiary. **Kiekerömaa** is subject to the conditions previously described for **Kaaresselkä**.

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).

Field program 2016

Prospecting and reconnaissance mapping activities were performed at the **Ruoppa** target to extend the prospect to an open ended 2.3 km long by 1.3 km wide zone of anomalous gold samples, within an overall target greater than 7 km long.

Additionally, a new target area with similar style mineralization was 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

Mapping, prospecting and trenching were conducted at **Ruoppa**. Results returned anomalous values and overburden limited the program. Geochemical and geophysical surveys are planned for 2018.

SILA (formerly 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 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).

Aurion 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 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 €4,000,000. 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 2016

Limited prospecting, rock and soil geochemical sampling was conducted at **Sila** in 2016 with limited success.

Field program 2017

A 500 sample base-of-till (BoT) survey was completed at the **Sila** project covering approximately 4.5 km along the northern strike extension of the HSZ.

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 20, 2018, B2Gold is in compliance with the terms of the agreement.

KUTUVUOMA

Kutuvuoma was acquired along with **Sila**, subject to a binding Letter of Intent with from Dragon Mining Limited (“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 totalling 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.

Field program 2016

Reconnaissance prospecting, geological mapping and trenching were conducted within the joint venture area of interest during this 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 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 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 interested 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.

Field Program 2017

B2Gold advised the company its exploration budget for 2017 was approximately CAN$3.5 million. The primary target is the **Kutuvuoma** trend where trenching was conducted. Trenching was also conducted at the Tepsa prospect approximately 2 km West-Northwest of **Kutuvuoma**. Extensive property wide BoT sampling program was conducted. Drilling on the **Kutuvuoma**-Tepsa trend was planned. Assays from all programs are being compiled and reviewed.

AHVENJARVI

The **Ahvenjarvi** project is located in Northern Finland, approximately 20 km west of the **Kutuvuoma** property.

The mineralization 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.

Field program 2016

The field program at **Ahvenjarvi** primarily comprised detailed prospecting and reconnaissance geological mapping resulting in the discovery of new zones of robust mineralization. Quartz-tourmaline-pyrite veins in angular boulders, sub outcrop and outcrop occurring over a distance of > 2.0 km 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 in 2016 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

A BoT program was performed at **Ahvenjarvi**. Results are being incorporated in the 2018 work program.

KINROSS JOINT VENTURE, OUTA

On January 31, 2018, the Company signed a non-binding letter of intent ("LOI") with Kinross Gold Corp. ("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-per-cent interest in the project. Kinross has agreed to complete a firm $1-million (U.S.) exploration expenditure over the first two years. The transaction is subject to Kinross completing its due diligence investigations, the requisite corporate approvals of each party and the execution of a definitive agreement. The definitive agreement is currently being negotiated and drafted.

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

Two days prospecting was completed at **Outa**. Anomalous gold was identified in outcrop up to 0.65 g/t Au. A detailed work program is planned for 2018 looking for mineralization in an **Aamurusko**-like setting.

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.

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

	2017 $	2016 $	2015 $
Total income	113,363	53,592	32,070
Operating expenses	4,874,739	834,004	1,353,238
Net loss	4,761,376	780,412	1,321,168
Loss per share	0.08	0.02	0.03
Total assets	27,057,523	3,789,940	1,628,667
Long term liabilities	-	-	-
Dividends	-	-	-

Results of Operations

	For the years ended December 31,	
	2017	2016
	$	$
General and Administrative	**466,872**	138,401
Wages and benefits	**636,200**	174,439
Consulting fees	**38,800**	25,050
Professional fees	**143,044**	60,045
Share based payments	**3,451,032**	301,694
Write-down of exploration and evaluation assets	**141,491**	11,514
Accounting	**77,962**	42,032
Depreciation	**28,728**	3,590
Interest and bank charges	**9,468**	34,545
Property investigation costs	**-**	30,950
Unrealized (gain) loss on marketable securities	**(119,198)**	1,258
Foreign exchange (gain) loss	**340**	14,377
Gain on sale of marketable securities	**-**	(3,891)
	4,874,739	834,004
Interest and other income	**113,363**	53,592

-Write-down of exploration and evaluation assets is higher by $129,977 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due mainly to the write down of expenditures related to properties in Finland that the Company felt no longer held merit for future exploration.

- Wages and benefits are higher by $461,761 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due mainly to an increase in management salaries and new hires for the field season in the current year.

- General and administrative costs are higher by $328,471 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due mainly to increased operating costs associated with corporate travel, marketing and attendance at conferences in the current year.

- Consulting fees are higher by $13,750 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due to increased costs associated with corporate planning.

-Professional fees are higher by $82,999 for the year ended December 31, 2017 compared to the year ended December 31, 2016 which is due mainly to legal fees incurred in the current year associated with general corporate matters and property agreements.

-Share based payments expense is higher by $3,149,338 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due to a considerable increase in the fair market value of stock options issued to Directors, officers and consultants in the current year compared to the prior year.

- Total expenses are higher by $4,040,735 for the year ended December 31, 2017 compared to the year ended December 31, 2016 mainly due to higher share-based payments and general increased activity in the current year.

-Interest and other income was higher by $59,771 for the year ended December 31, 2017 compared to the year ended December 31, 2016. This is due mainly to higher interest income in the current year due to interest earned on short-term deposits.

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, 2017	19,680	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)
Q4 - December 31, 2016	221	192,428	(809)	(193,458)	(0.004)
Q3 - September 30, 2016	6,246	260,379	21,894	(244,731)	(0.005)
Q2 - June 30, 2016	995	103,236	17,776	(86,455)	(0.002)
Q1 - March 31, 2016	4,052	266,447	14,731	(255,768)	(0.006)

Fourth Quarter Results

For the three months ended December 31, 2017, the Company recorded a net loss of $836,759 compared to a net loss of $193,458 from the prior year, an increase in the net loss of $643,301 from the prior year. This is partly due to the revaluation of share-based payments booked for stock options issued and exercised in 2017 resulting in an adjustment of approximately $350,000 which was recorded in the fourth quarter. General expenses also increased in the fourth quarter of 2017 compared to the prior year due to the addition of full-time staff members and general increased corporate activity during the last three months of 2017.

Financial Condition / Liquidity / Capital Resources

The Company had cash of $11,769,799 at December 31, 2017 compared to cash of $666,663 as at December 31, 2016. At December 31, 2017, the Company held short-term investments of $7,619,425 in interest bearing deposit accounts and Guaranteed Income Certificates compared to $526,748 at December 31, 2016.

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.

On January 19, 2016, the Company granted 2,700,000 fully vested stock options to directors, officers and consultants at an exercise price of $0.10 per share.

On April 29, 2016, the Company issued 1,476,500 common shares valued at $0.13 per share as a finders' fee for the B2Gold agreement.

On May 20, 2016, the Company issued 2,500,000 common shares to Dragon valued at $0.135 per share as the final instalment of shares due for the purchase of the Kutuvuoma and Sila projects in Finland.

On July 1, 2016, the Company granted 600,000 fully vested stock options to directors, officers and consultants at an exercise price of $0.26 per share.

On August 8, 2016, the Company issued 100,000 common shares at a value of $0.10 per share for the exercise of stock options.

On September 23, 2016, the Company issued 2,562,000 common shares at a value of $0.40 per share pursuant to a brokered private placement. A cash fee of 6% of the proceeds was paid with respect to this transaction.

On September 28, 2016, the Company issued 3,750,000 common shares at a value of $0.40 per share pursuant to a non-brokered private placement.

On December 23, 2016, the Company issued 137,500 common shares at a value of $0.25 per share for the exercise of stock options.

Shares issued and stock options granted subsequent to December 31, 2017:

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).

On January 23, 2018, the Company granted 650,000 options to directors, officers and consultants, exercisable at $1.00 per share until January 23, 2023.

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).

On March 7, 2018, the Company granted 1,410,000 options to directors, officers and consultants, exercisable at $1.10 per share until March 7, 2023.

Outstanding Share Data

As at April 20, 2018 the following were outstanding:

69,208,708 common shares
-Nil- share warrants
321,191 finders' warrants
6,400,000 stock options

Mineral Properties

As at December 31, 2017

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of 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**

As at December 31, 2016

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties written down	Balance, End of Period
	$	$	$	$	$
Finland	**911,656**	**1,094,165**	**(357,000)**	**(5,977)**	**1,642,844**
United States	**420,887**	**1,558**	**-**	**(119)**	**422,326**
Mexico	**-**	**5,418**	**-**	**(5,418)**	**-**
	1,332,543	**1,101,141**	**(357,000)**	**(11,514)**	**2,065,170**

The following provides details of exploration and evaluation asset additions by geographical area for the periods indicated:

	December 31, 2017				December 31, 2016			
	total	Finland	Sweden	USA/Mexico	total	Finland	Sweden	USA/Mexico
	$	$	$	$	$	$	$	$
Aquisitions	477,285	164,594	235,465	77,226	529,478	529,478	-	-
Land Management	1,252,554	1,252,554	-	-	237,604	230,747	-	6,857
Labour - Operations	790,395	790,395	-	-	377,419	377,419	-	-
Consulting Fees	136,299	124,914	11,385	-	54,842	54,842	-	-
Office Expenses	82,459	80,447	2,012	-	87,440	87,440	-	-
Drilling, Surveying, Assays	1,417,223	1,402,079	15,144	-	166,254	166,254	-	-
Travel, Accomodations	377,399	377,399	-	-	165,511	165,511	-	-
Rentals and Supplies	236,582	236,582	-	-	133,299	133,180	-	119
Total expenditures	4,770,197	4,428,965	264,006	77,226	1,751,846	1,744,870	-	6,976
Financed by Partners	(189,961)	(189,961)	-	-	(650,705)	(650,705)	-	-
Total Additions	4,580,236	4,239,004	264,006	77,226	1,101,141	1,094,165	-	6,976

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

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,	
	2017	2016
	$	$
Paid to D.R. Loveys & Associates Inc., a company controlled by the CFO:		
Accounting and management consulting services provided by David Loveys	**22,575**	25,050
Amounts expensed as:		
Consulting Fees	**22,575**	25,050
Paid to Goodland Buckingham LLP , a company in which a Corporate Director is a partner:		
Legal services provided by Dennis Clarke	**4,174**	2,500
Amounts expensed as:		
Professional fees	**4,174**	2,500
Compensation for key management personnel not included above:		
Michael Basha	**628,002**	160,289
David Loveys	**119,001**	16,211
Dennis Clarke	**119,001**	16,211
Other Directors	**238,002**	32,422
	1,104,006	225,133
Amounts expensed as:		
Salary and other short-term benefits for the CEO (expensed)	**390,000**	55,333
Share-based compensation (expensed)	**714,006**	91,800
Salary and other short-term benefits for the CEO (capitalized)	**-**	78,000
	1,104,006	225,133

New Accounting Policies

The Company adopted certain new accounting standards and amendments during the year ended December 31, 2017, none of which had a material impact on the Company's financial statements.

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company does not expect that the final standard will have any impact on its consolidated financial statements.

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, 2017, the Company had cash of $11,769,799 to settle current liabilities of $465,686. 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 short-term deposit certificates issued by its financial institutions. As of December 31, 2017, 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 $37,800. Management believes it has minimal exposure to interest rate risk.

(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.

	US$	Euro	SEK
Cash	**5,015**	**687,481**	**4,202,572**
Receivables	**-**	**174,779**	**-**
Trade payables	**-**	**(152,805)**	**(107,957)**
Net currency exposure	**5,015**	**709,455**	**4,094,615**

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
502	**70,945**	**409,462**

(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, 2017 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 $48,115 (2016 - $36,195).

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, 2017, are available through www.sedar.com.