



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

March 31, 2020

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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 June 25, 2020 and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2020 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

Aurion Resources Ltd. (Aurion), is a Canadian exploration company listed on the TSX Venture Exchange (TSX-V:AU). Aurion's strategy is to generate or acquire early stage precious metals exploration opportunities and advance them through direct exploration by our experienced team or by business partnerships and joint venture arrangements. Aurion's current focus is exploring on its Flagship Risti and Launi projects, as well as advancing joint venture arrangements with Kinross Gold Corp., B2 Gold Corp., and Strategic Resources Inc. in Finland.

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 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 Fennox 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.

Quarter Highlights and Significant Events:

- February 20, 2020: Aurion reported results from initial drilling on Christmas Deformation Zone at Launi:
 - Initial drilling at the CDZ area of Launi East appears to have intercepted the Big Blow 1 vein in three instances over approximately 400 m of strike length and to a depth of approximately 130 m. Two of the three intercepts included intervals grading above 3 g/t Au.
 - The CDZ area, which is a high strain zone with quartz veining, was intersected in five drill holes testing approximately 400 m along strike and down to 50 m vertically below surface. Assays have been received for 4 of these 5 intersections and the values returned to date have been low grade. The CDZ is projected to extend an additional 1.2 kilometres (km) to the southeast based on quartz vein outcrops and boulders and remains open to the northwest and at depth.
 - Drill hole LN19001 intersected 3.48 g/t Au over 0.45 m from Big Blow 1 quartz vein from 49.35 to 49.80 m.

- Drill hole LN19006 intersected 1.30 g/t Au over 2.35 m from Big Blow 1 quartz vein from 213.55 m to 215.9 m, including 6.61 g/t Au over 0.33 m; 0.7 m of core was lost in the broader interval, which was given a grade of 0 g/t Au.
- April 22, 2020: Subsequent to the end of the quarter, Aurion reported drilling results extending gold mineralization to 300 m depth at Aamurko NW and step-out drilling intersected multiple potential new gold zones:
 - Aamurusko Northwest Depth Extension – Drill hole AM20127 intersected multiple gold intervals, including 5.79 g/t Au over 2.95 m and 2.58 g/t Au over 1.70 m within a wider zone averaging 1.21 g/t Au over 24.75 m from 358.25 m and 2.39 g/t Au over 3.70 m from 288.00 m. This appears to extend known mineralization at the NW zone to 300 m vertically below surface and 60 m down-plunge to the north where it remains open.
 - The 600 m Gap between Aamurusko NW and Main Zones – Four drillholes spaced 50 to 300 m southeast of Aamurusko NW all intersected new shallow zones of gold mineralization. They appear to be locally associated with a widespread quartz stockwork outcropping at surface and/or steep fault structures.
 - Drill hole AM19117, intersected 37.30 g/t Au over 0.35 m within a wider zone of 4.64 g/t Au over 3.10 m from 19.25 m and 1.55 g/t Au over 3.45 m including 9.21 g/t Au over 0.35 m.
 - Drill hole AM19118 intersected 0.55 g/t Au over 8.65 m from 63.25 m.
 - Drill hole AM19119 intersected 18.40 g/t Au over 0.55 m from 100.95 m within a wider zone of 1.69 g/t Au over 7.75 m from 96.05 m and 3.16 g/t Au over 1.15 m from 61.00 m.
 - Drill hole AM20128 intersected 1.51 g/t Au over 3.35 m from 35.85 m.e CDZ area, which is a high strain zone with quartz veining, was intersected in five drill holes testing approximately 400 m along strike and down to 50 m vertically below surface. Assays have been received for 4 of these 5 intersections and the values returned to date have been low grade. The CDZ is projected to extend an additional 1.2 km to the southeast based on quartz vein outcrops and boulders and remains open to the northwest and at depth.
 - Aproximately 200 m north of Aamurusko NW – Drill hole AM20127 intersected shallow gold mineralization below a north-south trending quartz boulder train including 1.51 g/t Au over 2.00 m from 57.00 m and 1.02 g/t Au over 3.60 m from 126.80 m.
 - Mineralization remains open in multiple directions at all targets.
- June 16, 2020: Subsequent to the end of the quarter, Aurion reported that it revised the terms of the Silasselkä Project earn-in with Strategic Resources (“Strategic”):
 - Aurion agreed to waive the required expenditures on the project totalling C\$3.0 million over the three-year period following the closing of the transaction, announced on June 10, 2019. The share-based payment schedule and amounts to exercise the option remain unchanged.
 - Additionally, the original agreement was adjusted where Strategic held a two-stage option to earn-in to 75% on the project following the issuance of an additional 1,916,667 shares in June 2021 and then had the option to go from 75% to 100% ownership in the project, to a single option where Strategic will earn-in on 100% of the project following the scheduled share issuances, and after the last scheduled share payment of 1,166,666 Strategic shares in June 2022. On exercise of the option, Aurion will have received 8,000,000 shares total of Strategic.
 - Subsequent to the issuance of the June 2020 share-based payment of 1,916,667 shares, Aurion will hold 14.9% of the issued shares of Strategic.

Mineral Exploration Properties

Finland

The Company began operating in Finland in early 2014 and currently holds tenements covering approximately 76,258 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 and the **Launi** property. 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 (7.65 M oz Gold: Agnico Eagle Dec. 31, 2019) 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 daily flights from Helsinki to the nearby airport in the towns of Kittilä and Rovaniemi.

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 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 16,197 ha in the CLGB in northern Finland. Aurion acquired the first exploration licence in 2014. The Risti Project is located 10 km NNW of Sodankylä, Finland, which is a 40-minute drive along paved and all-weather gravel roads through rolling hills and forests.

The geological setting of the Risti Project has many similarities to prolific gold-rich orogenic gold belts globally, specifically the Timmins camp of the Abitibi region of Northern Ontario, Canada. The Aamurusko zone appears to be underlain by young unconformable clastic rocks (sandstones and conglomerates) of the Kumpu group. These Kumpu group conglomerates resemble the Timiskaming conglomerates of the Timmins and Kirkland Lake area of the Abitibi and occur in a similar geo-tectonic setting (both represent the youngest stratigraphic sequence within their respective belts). The Kumpu group and the Timiskaming group were deposited in late orogenic extensional basins. They form in relation to major movement along regional faults or deformation zones. In the Abitibi province, many high-grade, multi-million-ounce gold deposits are temporally and spatially associated with the Timiskaming conglomerates (or their equivalents) in close proximity to major regional deformation (fault) zones such as the Porcupine-Destor or Cadillac Lake-Larder Lake deformation zones. The Kumpu group appears to have been deposited in a similar geological setting adjacent to the Sirkka shear zone, which is a major deformation zone in the CLGB. Strong

alteration including fuchsite, tourmaline, iron carbonate and albite associated with quartz veining and gold mineralization is seen along the entire length (> 100 km) of this structure.

Aurion has been exploring its wholly owned, flagship Risti Project since 2015, and has made multiple gold discoveries since. Significant new gold discoveries at Risti include: Aamurusko Main, Aamurusko NW (NoNiin), Notches, YNOT, A2 and Risti NW. The property also hosts the Kaaresselkä prospect discovered in the 1980s by the Geological Survey of Finland. Aurion's pipeline of gold prospects at Risti are each at a different stage in the exploration process. Most gold prospects at Risti are accessible by 4-wheel drive.

Drill results presented herein are core lengths and may not represent true width. Channel sample results are surface channel cuts that also may not represent true width. Gold assay values are uncut. Prospecting grab samples may be selective, and not representative of overall grade.

Detailed and regional prospecting, geological mapping, trenching, ground and drone geophysics, soil sampling, base of till (BoT) 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 6,208 rock outcrop, sub-outcrop and boulder grab, chip and channel samples across the entire Risti project, focussed on multiple structures over a distance of approximately 20 km. Samples assayed from nil to 1,563.49 g/t Au with the average assay of all samples being 6.65 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 1,210 samples reported within the Aamurusko mineralized corridor 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 Sodankylä Group. The conglomerates are interpreted to be unconformably in contact with the mafic volcanics.

A 5,401 m maiden drill program was completed over 23 drill holes on Aamurusko in February of 2018. Significant assays include 3.88 g/t Au over 3.00 m. 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 11.20 g/t Au over 0.50 m while numerous zones of anomalous gold values throughout numerous drill holes were observed.

A 11,896 m Phase 2 drill program comprising 80 holes 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 24.9 g/t Au is > 1.3 km wide.

During mid-January 2019 to mid-February of 2020 a total of 50 drill holes comprising 8,914 metres (m) were completed. Most of these were targeting the Aamurusko NW area but some were completed at

Aamurusko. This program resulted in the discovery of significant new gold mineralization at Aamurusko NW hosted in both mineralized quartz veins and clastic sedimentary rocks. This drilling also targeted some of the previously untested 600 m gap between Aamurusko NW and Aamurusko Main. Drilling intersected multiple high-grade intercepts that appear to identify at least two new zones of mineralization to the southeast and north of Aamurusko NW, expanding the mineralized footprint at Aamurusko. Drilling also extended mineralization at NW to 300 m depth.

Gold mineralization has been intersected in multiple rock types to a depth of 300 m below surface. The best intercept to date, reported in September 2018, was encountered in hole 42, where coarse visible gold was intersected in a 2.90 m wide fault-fill vein which assayed 789.06 g/t Au from 116.10 m to 119.00 m, including 0.65 m assaying 3,510.00 g/t Au. Mineralization remains open at Aamurusko.

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

Aamurusko Summary

At Aamurusko Main, 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.

Drilling at Aamurusko Main 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 drill holes 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 from Aamurusko Main:

- 789.06 g/t Au over 2.90 m (including 3510.00 g/t Au over 0.65 m) from 116.10 m (Drill hole AM18042)
- 42.28 g/t Au over 4.00 m from 40.00 m (Drill hole AM19082)
- 24.50 g/t Au over 4.75 m from 48.80 m (Drill hole AM19081)
- 22.63 g/t Au over 3.53 m (including 52.30 g/t Au over 1.4 m) from 44.47 m (Drill hole AM19114)
- 18.47 g/t Au over 2.76 m (including 93.70 g/t Au over 0.51 m) from 43.94 m (Drill hole AM19113)

Drilling 235 m east of Aamurusko Main also returned significant drill intercepts:

- 9.62 g/t Au over 1.74 m from 26.30 m (Drill hole AM18035)
- 8.74 g/t Au over 1.55 m from 36.65 m (Drill hole AM18035)
- 12.45 g/t Au over 5.20 m (including 66.70 g/t Au over 0.50 m and 54.30 g/t Au over 0.49 m) from 53.50 m (Drill hole AM18035)

Aamurusko Northwest (NW) is approximately 600 m northwest of Aamurusko Main target. This target consists of a 10-30 m wide zone of gold-bearing quartz veins within altered and mineralized clastic sedimentary rocks. Drilling has delineated Aamurusko NW to 300 m vertical depth and the target is open to extension. Similar to previous wide intercepts, the intercept in drill hole 127 includes higher grade vein zones with interspersed anomalous values (>0.10 – 0.90 g/t Au) and now appears to extend known

mineralization at the NW zone to 300 m vertically below surface and 60 m down-plunge to the north, where it remains open. The upper portion of drill hole 127 also intersected shallow gold mineralization below a >300 m long, quartz boulder train (best surface sample 0.36 g/t Au) associated with an interpreted NNE-SSW trending fault. The best intercepts include 1.51 g/t Au over 2.00 m from 57.00 m and 1.02 g/t Au over 3.60 m from 126.80 m. This mineralization is located approximately 200 m north of Aamurusko NW.

Drilling Highlights from Aamurusko NW:

- 13.31 g/t Au over 19.54 m (including 22.58 g/t Au over 8.18 m) from 77.64 m (Drill hole AM19095)
- 3.51 g/t Au over 31.12 m from 55.88 m (Drill hole AM19094)
- 6.84 g/t Au over 19.00 m (including 16.36 g/t Au over 7.3 m) from 83.80 m (Drill hole AM19109)
- 23.41 g/t Au over 11.10 m (including 51.95 g/t Au over 4.15 m) from 133.00 m (Drill hole AM19106)
- 16.17 g/t Au over 4.00 m (including 109.00 g/t Au over 0.58 m) from 97.10 m (Drill hole AM19105)
- 1.21 g/t Au over 24.75 m (including 5.79 g/t Au over 2.95 m and 8.90 g/t Au over 1.00 m and 5.34 g/t Au over 1.00 m) from 358.25 m (Drill hole AM20127)
- 2.39 g/t Au over 3.70 m from 288.00 m (Drill hole AM20127)

Aamurusko Gap covers the approximately 600 m long “gap” between the Aamurusko NW and Aamurusko Main zones. The Company believed that this previously untested area between the two identified zones could host additional zones of mineralization. The initial results in early 2020 suggest confirmation of this hypothesis. Drilling in this area intersected new shallow zones of gold mineralization up to 300 m to the southeast of Aamurusko NW. Holes were drilled under a widespread quartz stockwork outcropping at surface and/or steep fault structures. The mapped stockwork system has 300 m by 100 m dimensions.

Drilling Highlights from Aamurusko Gap:

- 4.64 g/t Au over 3.10 m (including 37.30 g/t Au over 0.35 m) from 19.25 m (Drill hole AM19117)
- 1.55 g/t Au over 3.45 m (including 9.21 g/t Au over 0.35 m) from 59.70 m (Drill hole AM19117)
- 0.55 g/t Au over 8.65 m from 63.25 m (Drill hole AM19118)
- 1.69 g/t Au over 7.75 m (including 18.40 g/t Au over 0.55 m) from 96.05 m (Drill hole AM19119)
- 1.51 g/t Au over 3.35 m from 35.85 m (Drill hole AM20128)

Note: All widths are core widths, true width is not known at this time, all assay values are uncut.

Risti - Other Prospects

Notches

Notches is a 1 km by 5 km long, northwest-southeast trending outcrop ridge notched with four lineaments identified from LIDAR imagery. Prospecting this ridge lead to multiple gold showings in quartz sub-outcrop. The Notches area is host to an interbedded sequence of mature siliceous sandstones and conglomerates with late cross-cutting mafic to ultramafic and lamprophyre dykes. The southwestern contact is hosted by a suite of mafic to ultramafic volcanic and intrusive rocks and mafic conglomerates but is not well constrained due to lack of exposure. The northeastern contact is possibly intrusion/fault related with an unconformable suite of ultramafic rocks. Aurion geologists note similar geology at Aamurusko and Notches, which are on strike with one another and 3 km apart.

Trenching and reconnaissance surface mapping commenced during the 2018 field season whereby 17 trenches were completed for a total of 1,300 m of newly exposed bedrock. Mechanical trenching of surface gold showings at Notches exposed gold-bearing stockwork, breccia and shear quartz veins and importantly, gold-bearing conglomerate. Bedrock discoveries beneath surface gold occurrences suggests glacial transport distances are short.

A new style of gold mineralization, not previously recognized on the property, is hosted within a 5-10 m wide conglomerate unit with 1-15 % disseminated sulphides (pyrite-pyrrhotite-chalcopyrite-galena and locally VG) and altered by silica, hematite, iron oxide and carbonate. The conglomerate is also cross-cut by flat and steep gold-bearing quartz veins.

Mechanical surface trenching and saw-cut channel sampling has been conducted to determine the grade and extent of gold-bearing conglomerate at surface.

Initial surface channel samples of mineralized conglomerate returned:

- 3.20 g/t Au over 4.40 m including 8.94 g/t Au over 0.87 m (Trench NOT1817)

Notable gold-bearing channel samples from quartz veins at other Notches trenches are:

- 3.54 g/t Au over 0.60 m (Trench NOT1817)
- 109.50 g/t Au over 0.25 m (Trench NOT1803)
- 20.30 g/t Au over 0.31 m (Trench NOT1803)
- 7.03 g/t Au over 0.93 m (Trench NOT1814)
 - Including 9.83 g/t Au over 0.46 m

Aurion completed two core holes that targeted gold-mineralized conglomerate and quartz veins that returned drill core intercepts of 2.99 g/t Au over 2.10 m from 31.40 m (Drill hole NT18005) and 20.30 g/t Au over 0.65 m from 27.40 m (Drill hole NT18006).

The 2019 field program included trenching, infill surface mapping, prospecting and ground geophysical surveys. A total of 10 trenches were completed resulting in 1,800 m of newly exposed bedrock. A total of 802 channel samples, 320 grab samples and 40 chip samples were collected from the trenches with results still pending. Infill mapping, prospecting and ground geophysical surveys were concentrated along the eastern portions of the Notches area to generate new trenching targets.

Mineralized quartz veins at Notches include variable amounts of pyrite-chalcopyrite-galena and locally VG. Veins are hosted by an interbedded sequence of hematite, sericite, iron carbonate and silica altered sandstones and conglomerates.

Ground magnetic geophysical surveys show favourable stratigraphy and complex structures below shallow overburden along the 3 km gap between Aamurusko and Notches. This gap is defined by thick forested areas and swamp lands leaving little to no bedrock and boulder exposure limiting surface mapping and prospecting. With similar geology noted along strike at Aamurusko and Notches, the gap is interpreted to host similar lithologies. Exploration in this area during 2019 comprised ground magnetic geophysical surveys and a reconnaissance BoT program targeting heavy and indicator minerals concentrated in potential till layers directly above bedrock. A total of 43 BoT samples were collected with results pending.

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 11.01 g/t Au over 4.90 m (04KD007B), 17.24 g/t Au over 2.10 m (04KD005), 3.78 g/t Au over 9.30 m (04KD010) and 45.30 g/t Au over 1.40 m (M371494R436) 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.

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.

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 the east, southeast and southwest representing targets for follow-up trenching.

A2

A2 is a prospecting discovery where 52 rock samples of quartz veins, quartz stockworks, breccias and tension vein arrays, occur in outcrop, sub-outcrop and angular boulders along a 1.1 km long arcuate structure. Selective grab samples returned assays from nil to 697.0 g/t Au (average 59.6 g/t Au).

Eleven drill holes tested a strike length of 450 m targeting gold mineralization in quartz veins hosted by altered clastic sediments at the A2 prospect, located 1.2 km north-northwest of Aamurusko.

The most significant drill intercept at A2 was 22.00 g/t Au over 0.45 m from 38.45 m (Drill hole AM18041). Current drilling has not yet explained prospecting discoveries at A2.

Risti NW

Located approximately 4 to 5 km north-northwest of Aamurusko, limited prospecting has identified gold-bearing quartz blocks over a distance greater than 1.8 km. At Risti NW 133 rock samples from angular boulders and sub-outcrop assayed an average of 1.94 g/t Au including 11 that assayed greater than 5 g/t Au to a high of 108.5 g/t Au. Risti NW is a grassroots gold prospect that warrants further exploration.

LAUNI

Aurion's wholly owned Launi Project consists of two blocks, Launi East and Launi West with a combined area of 14,429 hectares (ha). Both Exploration Licences were recently granted. Launi East has no record of prior exploration or mining licences. Paved highway and all-weather gravel roads provide easy access to the property which is located only 8-10 kilometres (km) south of the Risti Project and 10 km northwest of the Municipality of Sodankylä.

Launi East

The Launi East Project is a 4,276 ha property that bisects a flexure along the Sirkka Shear Zone, a major regional structure with dozens of gold prospects along its length. The GTK (Geological Survey of Finland) define the Sirkka Shear Zone as a major (> 125 km long) tectono-stratigraphic boundary between Archean and Proterozoic terranes in the area underlying the Launi East property. The arcuate stratigraphy on the Launi East property includes a folded and faulted package of siliceous sandstones intercalated with wackes and siltstones, mafic to intermediate volcanic and intrusive sequences and late granitoid intrusions.

Since initial prospecting in 2017 returned anomalous Au values, further prospecting and reconnaissance mapping at Launi East have resulted in the discovery of multiple new gold-bearing zones in a 5.5 by 1.0 km area parallel to and within 1 km of the Sirkka Shear Zone. Widespread fuchsite, tourmaline, sericite and iron-carbonate bedrock alteration along with abundant quartz veining is present in this part of the property. Visible gold is observed in quartz veins and mineralized host rock along several trends from ten to greater than 100 metres (m) wide. Since 2017, prospecting crews have collected some 1,621 (2017 – 93, 2018 – 306, 2019 – 1,222) rock grab samples from angular quartz boulders, sub-outcrop and outcrop along these mineralized trends. Overall assay results range from nil to 709 grams per tonne gold (g/t Au) with an average grade of 5.60 g/t Au. Of these 1,621 samples, 333 assayed greater than 1 g/t Au including 160 assaying greater than 10 g/t Au and 11 greater than 100 g/t Au. Mineralized zones at Launi East appear to show lateral continuity along strike across the property, and individual zones can be traced for up to 300 m. Grab samples of outcrop, sub-outcrop, and quartz boulders are preliminary samples that verify gold is present in quartz veins. Natural coarse gold distribution in these samples returns variable results and may not be representative.

2019 Field Program

During summer-fall 2019, besides prospecting, these new gold-bearing zones were also subject to simultaneous exploration programs, including reconnaissance bedrock mapping, detailed ground magnetic geophysical surveys and trenching. The trenching program comprised a total of 16 trenches excavated in three different areas. A total of 544 saw-cut channel samples and 153 grab or chip samples were collected from the trenches and assayed from nil to 39.5 g/t Au in channel sampling and nil to 50.4 g/t Au in grab/chip sampling. Trenching identified a 450 m long and 3 to 9 m wide auriferous zone, called the Christmas Deformation Zone (CDZ). The zone is further projected to continue an additional 1.2 km to the southeast based on quartz vein outcrops and boulders. Detailed prospecting, trenching and channel sampling results for each of the new gold-bearing zones are as follows:

Kookoo and Christmas Zones: Detailed mapping of surface and trench exposures indicates lateral continuity of a northwest trending deformation corridor, the CDZ, between the Christmas and Kookoo zones. Shear and extensional quartz veins in the CDZ are hosted in silicified sandstone within broad zones of moderate to strong hematite and fuchsite alteration. The CDZ is on the east limb of an anticline 1 to 2 kms west of the Sirkka Shear Zone. Nine trenches totaling 715 m were excavated over a strike length of 450 m of the CDZ and these targeted extensive high-grade prospecting discoveries up to 313 g/t Au. In the 2019 field season 218 rock samples were taken along this part of the CDZ and they ranged from nil to 313 g/t Au with an average of 21.5 g/t Au and a median grade of 5.7 g/t Au.

Quartz veining and moderate to strong alteration were exposed in 8 of the 9 trenches and visible gold was identified in at least 5 of the trenches. The wider fault-fill quartz veins are steep to southwest dipping and display tectonized pinch and swell geometries. The best channel composites from the trenching here are 27.01 g/t Au over 1.77 m, 14.76 g/t Au over 2.95 m and 10.81 g/t Au over 3.11 m from a quartz vein with visible gold and a high concentration of iron oxides in trench LNT1904 near the south end of the CDZ. These three composites are cut across the same mineralized interval of quartz veining in trench LNT1904. The northernmost trench is LNT1903, which is 350 m north of LNT1904 and the best assays here include 13.55 g/t Au over 0.3 m and 2.52 g/t Au over 2.71 m. Angular quartz boulders are also found 600 m north of LNT1903 including a 0.40 m wide quartz block with specularite which assayed 1.78 g/t Au.

Big Blow I and Big Blow II: Large zones of quartz veining up to 5.5 m wide were discovered in outcrop and 1.00 m to 2.80 m wide in trenching in two zones 125 m – 200 m east of, and parallel to, the CDZ. These two zones, Big Blow I and Big Blow II, are fault-fill veins 75 m apart that display crack-seal textures with hematite and fuchsite alteration. Exposure is poor but the quartz vein trends have been traced sporadically for 420 m for Big Blow I and 120 m for Big Blow II. Gold values on these two trends were typically less than 0.5 g/t Au though values up to 10.5 g/t Au were returned and visible gold was noted.

Hematite City: Discovered in 2019, Hematite City is a locality of predominantly outcrop and angular boulders with flat lying quartz veins accompanied by quartz stockworks and breccias with heavy concentrations of Fe oxides (specular hematite and goethite), hosted in a pervasively hematite and lesser fuchsite altered sandstone. A total of 274 samples were taken along the Hematite City trend with quartz blocks and outcrop samples assaying from nil to 80.7 g/t Au with an average of 3.5 g/t Au. These quartz blocks are typically 0.5 m wide (max 2.00 m) and many contained visible gold.

Midsommer: The Midsommer area, 850 m southwest of the Christmas Deformation Zone, has 1 to 2 m wide northwest trending quartz veins in outcrop and quartz boulders spread over a 300 m by 220 m area. The veins are hosted within an intermediate volcanic and volcanioclastic package. A total of 147 samples were taken here in 2018 and 2019 and these assayed from nil to 379 g/t Au with an average of 3.00 g/t Au. Some of these quartz veins were crack-seal textured veins with visible gold.

Father's Day: This zone, which is located 1 km southwest of the south end of the Hematite City trend, consists of a 525 m long north-northwest trend of specularite-quartz breccia boulders. These mineralized boulders assayed from nil to 2.81 g/t Au (average 0.11 g/t Au) and were typically 0.4 m on a side (maximum 1.2 m). Surface mapping shows that the specularite-quartz breccia is potentially hosted proximal to the contact between mafic volcanics and siliceous sandstone. Due to heavy cover, this relationship is based on a few sub-outcrop and boulder exposures.

Mother's Day: Mother's Day is 550 m south-southeast of Father's Day and may be the continuation of this trend. A 450 m long trend of quartz blocks, typically 0.5 m on a side, contain Fe-oxides and are hosted by silicified sandstone. A total of 81 samples were taken here with assays ranging from nil to 3.24 g/t Au (0.13 g/t Au average). Visible gold was noted here. Father's Day and Mother's Day were 2019 discoveries.

Stubley Zone: This is a 2019 discovery located 600 m south-southeast of Mother's Day. Angular quartz blocks up to 2.00 m on a side (typically 0.5 m width) with crack-seal and breccia textures and significant concentrations of Fe oxides (including 10 – 40% hematite and goethite) are found as boulders and outcrop/sub-outcrop hosted by silicified sandstone. A total of 68 samples were taken in a 370 m by 350 m area with assays ranging from nil to 67.7 g/t Au (1.97 g/t Au average). Visible gold was noted here.

Bonanza Area: Bonanza was a 2019 grassroots discovery. A total of 50 samples of quartz vein material returned assays ranging from nil to 790 g/t Au with an average of 35 g/t Au and a median value of 1.95 g/t Au. Five trenches totaling 400 m were excavated in the Bonanza area located 4.3 km south of the Christmas Zone and 1 km west of the Sirkka Shear Zone. A 0.40 – 1.0 m wide northeast trending crack-seal quartz vein with visible gold, pyrite and tourmaline was exposed over a strike length of 70 m within intermediate volcanics in trench BZT1901. Highlights from channel sampling this vein included 39.5 g/t Au over 0.56 m, 29 g/t Au over 0.44 m and 19.5 g/t Au over 0.77 m. Additional auriferous quartz surface samples indicate a continuation of at least 60 m to the southwest past trench BZT1901. Another highly anomalous cluster of surface rock samples is present 350 m east of trench BZT1901. Twenty-eight quartz vein boulders with 2 – 8% Fe oxides, pyrite and visible gold were traced over 30 m in a northeast direction. These quartz blocks, which were typically 0.6 m wide (max 1.5 m wide) assayed from nil to 152.5 g/t Au with an average of 15.98 g/t Au and a median value of 4.6 g/t Au.

Based on the 2019 summer-fall prospecting and mapping results, numerous drill targets were selected for follow-up. The maiden drill program at Launi East, specifically in the Kookoo-Christmas area, comprised 7 drillholes for a total of 1,536.7 m. Drilling, which was completed between November 13 to December 17, 2019, targeted a 400 m long section of the CDZ, as well as two parallel structures: Big Blow I and Big Blow II. These Big Blow veins are 125 m to 200 m east of, and parallel to, the CDZ, which itself is parallel to the Sirkka Shear Zone.

Drilling Highlights:

- Initial drilling at the CDZ area of Launi East appears to have intercepted the Big Blow I vein in three instances over approximately 400 m of strike length and to a depth of approximately 130 m. Two of the three intercepts included intervals grading above 3 g/t Au.
- The CDZ, which is a high strain zone with quartz veining, was intersected in five drill holes testing approximately 400 m along strike and down to 50 m vertically below surface. Assays have been received for 4 of these 5 intersections and the values returned to date have been low grade. The CDZ is projected to extend an additional 1.2 km to the southeast based on quartz vein outcrops and boulders and remains open to the northwest and at depth.
- Drill hole LN19001 intersected 3.48 g/t Au over 0.45 m from Big Blow I quartz vein from 49.35 to 49.80 m.
- Drill hole LN19006 intersected 1.30 g/t Au over 2.35 m from Big Blow I quartz vein from 213.55 m to 215.9 m, including 6.61 g/t Au over 0.33 m; 0.7 m of core was lost in the broader interval, which was given a grade of 0 g/t Au.

The primary objective of the maiden drill program was to drill test the gold mineralization encountered in surface and channel sampling that identified the 450 m long CDZ and associated parallel Big Blow quartz veins. While drilling has not yet reproduced the gold grades encountered from surface trenching, the property continues to be very prospective. Wide zones of silicification, sericite, fuchsite and hematite alteration as well as quartz veins, up to 2.90 m wide, visible gold and high strain zones were encountered in drilling. Veining observed at depth in drill core displays similar textures and mineralization to veins which were mapped, sampled and returned grade at surface in the Kookoo-Christmas area. Fault zones with deep weathering were encountered and the depth of oxidation raises the possibility that the iron oxides in the quartz veins may represent weathered sulphides. Current drilling on the CDZ has only tested to 50 m vertically below surface. Gold is usually not homogenously distributed in orogenic gold deposits and it is therefore important to test the vertical and lateral extents of the system to discover the highest-grade areas. The CDZ is interpreted to extend an additional 1.2 km to the southeast, based on outcrop and boulders, beyond the southern limit of the 2019 drill program and the CDZ remains open to the northwest. Regional and detailed ground mag surveys, followed up by preliminary surface mapping, show a structurally complex architecture with numerous cross-cutting fault systems. Quartz veining and local auriferous zones appear to be related to some of these fault systems as well as hosted along the limbs and within the hinges of folds. Within the Launi East project multiple other promising targets remain including the property scale fold axis immediately west of the CDZ, as well as the Bonanza, Midsommer and Hematite City targets.

RUOPPA

The Ruoppa Project (3,455-ha) is located 75 km northeast of Kittilä via Highway Routes 80 and secondary route 9552. The property is 17 km Northeast of Agnico Eagle's Kittilä Underground Gold Mine, and 3 km east of Agnico Eagle's Kuotko Gold Deposit.

At Ruoppa quartz-carbonate veins are mineralized with free gold, pyrite, minor arsenopyrite, and anomalous bismuth. Veins are associated with a swarm of felsic to intermediate dykes that intrude a 7 km long sheared and faulted contact between 1.91 Ga granodiorite and mafic metavolcanics.

Historical work by GTK includes soil sampling, ground geophysics, trenching and 5 core drill holes (301 m total in 1993 and 1999). Highlights of GTK work include a large gold geochemical anomaly, 1 m @ 3.2 g/t Au, and 1 m @ 6.78 g/t Au from channel samples taken in trenches, and 4 m @ 2.7 g/t Au (from drill core).

In 2017, Aurion prospectors collected 210 rock chip samples of outcrop, sub-outcrop and angular boulders assayed from nil to 30.7 g/t Au including 25 samples that assayed greater than 1.0 g/t Au over a 2.3 km long and 1 km wide zone along the granodiorite contact. Aurion also excavated five trenches along 570 m of the granodiorite and mafic volcanic contact, exposing intermediate porphyry dykes and quartz-carbonate veins. Follow-up channel and chip samples of mineralized quartz-carbonate veins exposed in trenches returned from nil to 2.75 g/t Au over 0.84 m.

Three km west of Ruoppa is the Kuotko Gold Deposit (284,000 tonnes grading 3.18 g/t Au, source Agnico Eagle, 2018). Kuotko is an orogenic gold deposit with distinct structural controls and three stages of mineralization: 1) Main zone parallel to NW-trending shear fabric, 2) NW trending auriferous quartz-carbonate veins that post-date porphyry dykes, and 3) N-S trending auriferous quartz veins.

Kuotko gold mineralization is similar to gold mineralization at Ruoppa, but this does not imply they are the same mineralizing system, or that mineralization from Kuotko continues onto Ruoppa, which is an adjacent property.

Minimal exploration activities occurred on Ruoppa in 2018 and 2019 while the Company concentrated on Risti and Launi. The Company wrote down the full carrying value of Ruoppa as of December 31, 2019 due to recent and projected inactivity on the property by the Company and the anticipated difficulty in transacting the property to a third party in the foreseeable future. Given uncertainty due to the COVID-19 pandemic regarding, but not limited to, travel restrictions, health and safety concerns, the possibility of future outbreak(s) and general market conditions, it will not be possible for third parties to visit and properly evaluate the properties and the prospects of entering into formal agreements for the foreseeable future are highly unlikely.

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 described for Kaaresselkä.

Minimal exploration activities occurred on Kiekerömaa in 2018 and 2019 while the Company concentrated on Risti and Launi. The Company wrote down the full carrying value of Kiekerömaa as of December 31, 2019 due to recent and projected inactivity on the property by the Company and the anticipated difficulty in transacting the property to a third party in the foreseeable future. Given uncertainty due to the COVID-19 pandemic regarding, but not limited to, travel restrictions, health and safety concerns, the possibility of future outbreak(s) and general market conditions, it will not be possible for third parties to visit and properly evaluate the properties and the prospects of entering into formal agreements for the foreseeable future are highly unlikely.

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 in 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 2,000 m of drilling and payment of \$50,000 cash and 50,000 B2Gold shares was guaranteed. A finder's fee was paid by the Company with respect to this transaction and 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.

On August 1, 2019, the Company received 200,000 B2Gold common shares which were issued pursuant to the option agreement dated January 18, 2016. On August 13, 2019, the Company received a Notice of Exercise of Option from B2Gold confirming that B2Gold fulfilled its obligations under the Option Agreement dated January 18, 2016, and that as of August 14, 2019, the Option was deemed to be exercised.

Kutuvuoma and Ahvenjarvi

Kutuvuoma was acquired along with Sila, subject to a binding Letter of Intent with 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.

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, siliceous 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-1990s 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 drill holes 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 were 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 535 m. The drill program was designed to test the lateral continuity of the Kutuvuoma system. The drill program comprised 5 HQ sized diamond drill holes 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 drill hole 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.

2016 Drilling Highlights from Kutuvuoma:

- 8.59 g/t Au over 2.15 m from 21.4 m and 11.37 g/t over 13.3 m (including 47.00 g/t over 1.2 m, 24.60 g/t over 1.2 m, 26.30 g/t over 0.65 m and 18.65 g/t over 1.2 m) from 71.85 m (Drill hole KU16003)
- 1.76 g/t Au over 8.85 m (including 5.60 g/t over 1.25 m) from 38.65 m (Drill hole KU16001)
- 1.67 g/t Au over 5.05 m from (including 6.19 g/t over 0.90 m) from 42.55 m (Drill hole KU16002)

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 potassiac (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 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 200 m 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 500 m 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 2,300 m long and up to 700 m 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.

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

In 2019, B2Gold put field exploration in Finland on care and maintenance, giving the company time to analyze past work completed and plan for a future program. For 2020, the company is planning a series of BoT drilling and approximately 750 m of diamond drilling on the JV properties.

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 US\$5 million over five years to earn a 70% interest in the project. Kinross has agreed to complete a firm US\$1 million in exploration expenditures 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 Kittilä Group mafic volcanics within the Outa project area has never been explored.

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

In 2019, Kinross completed an approximately US\$1.1 million exploration program comprising diamond core drilling (DDH), base of till ("BoT) drilling and trenching. For 2020, Kinross has budgeted US\$1.2 million and planned additional BoT and DDH drilling.

STRATEGIC RESOURCES OPTION, SILA

SILA (Silasselka)

On April 24, 2019, the Company entered into an option agreement with Strategic Resources Inc. ("Strategic") granting 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. At December 31, 2019 the Company had received \$500,000 cash and 3,000,000 Strategic shares.

On June 17, 2020, the Company announced that it had revised the terms of the Silasselkä Project earn-in with Strategic Resources ("Strategic"). Aurion agreed to waive the required expenditures on the project totalling C\$3.0 million over the three-year period. The share-based payment schedule and amounts to exercise the option will remain unchanged. In addition, Aurion and Strategic altered the original agreement where Strategic would have a two-stage option to earn-in to 75% on the project following the issuance of an additional 1,916,667 shares in June 2021 and then have the option to go from 75% to 100% ownership in the project, to a single option where Strategic will earn-in on 100% of the project following the scheduled share issuances, and will occur after the last scheduled share payment of 1,166,666 Strategic shares in June 2022.

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 Kittilä 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 Dragon in March 2014, as previously detailed in the section discussing Kutuvuoma.

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.

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. In 2019, the property was transferred to Strategic and initial work started on re-drilling to confirm historic Vanadium drilling results.

UNITED STATES

US Properties Not Subject to Partnership Agreements:

In September 2019, the Company decided to abandon all future claims regarding the Bull property, its primary target in the US. The Company terminated its agreement with respect to the property and all related costs were written down. The Company maintains one claim on a historic mining site in the US, on the Racey property in Oregon, that has a negligible carrying value. The Company does not currently have an active exploration program on Racey and is evaluating options regarding the property.

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

| | 2019 | 2018 | 2017 |
|-------------------------|------------|------------|------------|
| | \$ | \$ | \$ |
| Operating expenses | 7,575,324 | 3,318,956 | 4,874,739 |
| Other income (expenses) | 2,214,832 | 537,671 | 113,363 |
| Net loss | 5,360,492 | 2,781,285 | 4,761,376 |
| Loss per share | 0.07 | 0.04 | 0.08 |
| Total assets | 39,684,028 | 26,087,108 | 27,057,523 |
| Long term liabilities | 558,449 | 22,477 | - |

Results of Operations

| | For the three months ended March 31, | |
|---|---|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| EXPENSES | | |
| General and Administrative | 504,501 | 166,048 |
| Wages and benefits | 326,029 | 210,855 |
| Consulting fees | 4,516 | 5,870 |
| Professional fees | 47,336 | 20,960 |
| Share based payments | 581,134 | 236,037 |
| Write-down of exploration and evaluation assets | 3,370 | 13,106 |
| Accounting | 1,035 | 12,528 |
| Depreciation | 31,365 | 38,376 |
| Amortization of right-of-use assets | 8,656 | - |
| Interest and bank charges | 1,965 | 1,586 |
| Interest on lease liabilities | 2,286 | - |
| | (1,512,193) | (705,366) |
| OTHER INCOME (EXPENSES) | | |
| Unrealized (gain) loss on marketable securities | (745,000) | (75,000) |
| Foreign exchange (gain) loss | (26,192) | (5,311) |
| Other Income | 61,461 | 31,209 |
| Gain on sale of marketable securities | - | 121,663 |
| | (709,731) | 72,561 |
| Net loss for the period | (2,221,924) | (632,805) |

For the three months ended March 31, 2020 compared to the three months ended March 31, 2019:

- Write-down of exploration and evaluation assets is lower by \$9,736
- Wages and benefits are higher by \$115,174
- General and administrative costs are higher by \$338,453
- Consulting fees are lower by \$1,354
- Professional fees are higher by \$26,376
- Share-based payments expense is higher by \$345,097
- Total expenses are higher by \$806,827
- Other income (expenses) are lower by \$782,292

Total expenses for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are higher by \$806,827. The increase in overall expenditures is primarily a result of growth experienced at the Company. Share-based payment expense is higher by \$345,097 for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 mainly due to the vesting of stock options in the current period. General and administrative expenses are higher by \$338,453 for the three months ended March 31, 2020 compared to March 31, 2019 due to a general increase in operating costs as the Company grows. Other income (expenses) are lower by \$782,292 mainly due to the recording of unrealized losses on the value marketable securities in the current period.

Quarterly Information

| | (\\$) Write-down of exploration and evaluation assets | (\\$) Other expenses | (\\$) Other Income & Expenses | (\\$) Net Gain (Loss) | (\\$) Basic & Diluted Gain (Loss) per Share |
|-------------------------|--|-------------------------------------|--|----------------------------------|--|
| IFRS | | | | | |
| Q1 - March 31, 2020 | 3,370 | 1,508,823 | (709,731) | (2,221,924) | (0.030) |
| Q4 - December 31, 2019 | 1,327,473 | 3,019,109 | 370,173 | (4,716,753) | (0.008) |
| Q3 - September 30, 2019 | 611,539 | 1,202,044 | (514,415) | (1,299,169) | (0.022) |
| Q2 - June 30, 2019 | - | 629,483 | (2,039,381) | 1,409,898 | 0.200 |
| Q1 - March 31, 2019 | 13,106 | 772,570 | (31,209) | (754,468) | (0.011) |
| Q4 - December 31, 2018 | 3,394 | 826,703 | (68,412) | (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) |

Financial Condition / Liquidity / Capital Resources

2020

On January 16, 2020, the Company issued 40,000 common shares pursuant to the exercise of stock options for gross proceeds of \$44,000 (\$1.10 per share).

On January 17, 2020 and February 11, 2020, the Company issued a total of 1,487 common shares pursuant to the exercise of warrants for gross proceeds of \$1,561 (\$1.05 per warrant).

On January 17, 2020 and February 11, 2020, the Company issued a total of 2,430 common shares pursuant to the exercise of warrants for gross proceeds of \$3,645 (\$1.50 per warrant).

On March 31, 2020, the Company issued 105,634 DSUs to certain officers under its DSU plan at a market value of \$0.71 per DSU. These DSUs will vest one third on each of March 31, 2021, March 31, 2022 and March 31, 2023.

2019

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.

On April 26, 2019, the Company granted 75,000 DSUs to certain officers under its DSU Plan at a market value of \$1.00 per DSU. These DSUs will vest one third on each of April 26, 2020, April 26, 2021, and April 26, 2022.

On May 14, 2019, the Company granted 41,237 DSUs to certain officers under its DSU Plan at a market value of \$0.97 per DSU. These DSUs will vest one third on each of May 14, 2020, May 14, 2021, and May 14, 2022.

On June 30, 2019, the Company granted 55,147 DSUs to certain officers under its DSU Plan at a market value of \$1.36 per DSU. These DSUs will vest one third on each of June 30, 2020, June 30, 2021, and June 30, 2022.

On July 31, 2019, the Company issued a total of 7,403,666 common shares pursuant to a private placement at a price of \$1.50 for gross proceeds of \$11,105,499.

On August 7, 2019, the Company issued 200,000 common shares pursuant to the exercise of stock options for gross proceeds of \$20,000 (\$0.10 per share).

On August 14, 2019, the Company issued 2,530 common shares pursuant to the exercise of warrants for gross proceeds of \$2,656.50 (\$1.05 per warrant).

On September 5, 2019, the Company granted 104,396 DSUs to certain officers under its DSU Plan at a market value of \$1.82 per DSU. These DSUs will vest one third on each of September 5, 2020, September 5, 2021, and September 5, 2022.

On September 5, 2019, the Company granted 1,510,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.78 per share until September 5, 2024.

On September 12, 2019, the Company issued 50,000 common shares pursuant to the exercise of stock options for gross proceeds of \$55,000 (\$1.10 per share).

On September 23, 2019, the Company issued 50,000 common shares pursuant to the exercise of stock options for gross proceeds of \$55,000 (\$1.10 per share).

On September 30, 2019, the Company granted 45,181 DSUs to certain officers under its DSU Plan at a market value of \$1.66 per DSU. These DSUs will vest one third on each of September 30, 2020, September 30, 2021, and September 30, 2022.

On October 8, 2019, the Company issued 60,000 common shares pursuant to the exercise of stock options for gross proceeds of \$66,000 (\$1.10 per share).

On October 10, 2019, the Company issued 25,000 common shares pursuant to the exercise of stock options for gross proceeds of \$27,500 (\$1.10 per share).

On October 17, 2019, the Company issued 1,650 common shares pursuant to the exercise of warrants for gross proceeds of \$1,732 (\$1.05 per warrant).

On November 20, 2019, the Company issued 75,000 common shares pursuant to the exercise of stock options for gross proceeds of \$82,500 (\$1.10 per share).

On November 21, 2019, the Company granted 300,000 stock options to an employee exercisable at a price of \$1.67 per share until November 21, 2024.

On November 23, 2019, the Company issued 75,000 common shares pursuant to the exercise of stock options for gross proceeds of \$82,500 (\$1.10 per share).

On December 2, 2019, the Company granted 100,000 stock options to a director exercisable at a price of \$1.79 per share until December 2, 2024.

On December 2, 2019, the Company granted 121,212 DSUs to certain officers under its DSU Plan at a market value of \$1.65 per DSU. These DSUs will vest one third on each of December 2, 2020, December 2, 2021, and December 2, 2022.

On December 31, 2019, the Company granted 37,129 DSUs to certain officers under its DSU Plan at a market value of \$2.02 per DSU. These DSUs will vest one third on each of December 31, 2020, December 31, 2021, and December 31, 2022.

Outstanding Share Data

As at June 25, 2020 the following were outstanding:

83,476,771 common shares
 720,481 share warrants
 7,645,000 stock options
 854,248 deferred share units

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 the Company:

| | For the three months ended | |
|---|-----------------------------------|-------------|
| | March 31, | |
| | 2020 | 2019 |
| | \$ | \$ |
| Michael Basha, CEO | 88,618 | 91,012 |
| Mark Serdan, CFO | 76,118 | 60,206 |
| Mark Santarossa, VP Corporate Development | 159,977 | - |
| Other Directors | 72,515 | 13,968 |
| | 397,228 | 165,186 |
| Amounts expensed as: | | |
| Salary and other short-term benefits for the CEO | 50,000 | 50,000 |
| Salary and other short-term benefits for the CFO | 37,500 | 37,500 |
| Salary and other short-term benefits, VP Corp Dev | 31,250 | - |
| Directors' Fees | 20,000 | - |
| Share-based compensation | 258,478 | 77,686 |
| | 397,228 | 165,186 |

Mineral Properties

As at March 31, 2020

| Geographical Area | Balance, Beginning of Year | Receipts From Partners | Balance, End of Year |
|-------------------|----------------------------------|------------------------------|----------------------------|
| | \$ | \$ | \$ |
| Finland | 21,411,308 | 2,864,625 | - |
| Sweden | 447,446 | - | - |
| United States | 19,475 | - | - |
| Mexico | - | 3,370 | (3,370) |
| | 21,878,229 | 2,867,995 | (3,370) |
| | | | 24,742,854 |

As at December 31, 2019

| Geographical Area | Balance, Beginning of Year | | Receipts From Partners | | Balance, End of Year | |
|-------------------|----------------------------------|-------------------|------------------------------|--------------------|----------------------------|----|
| | Year | Additions | \$ | \$ | \$ | \$ |
| Finland | 13,608,827 | 10,809,245 | (1,666,912) | (1,339,852) | 21,411,308 | |
| Sweden | 337,099 | 110,347 | - | - | 447,446 | |
| United States | 601,018 | 24,152 | - | (605,695) | 19,475 | |
| Mexico | - | 6,571 | - | (6,571) | - | |
| | 14,546,944 | 10,950,315 | (1,666,912) | (1,952,118) | 21,878,229 | |

| | March 31, 2020 | | | | December 31, 2019 | | | |
|-----------------------------|----------------|-----------|--------|------------|-------------------|-------------|---------|------------|
| | total | Finland | Sweden | USA/Mexico | total | Finland | Sweden | USA/Mexico |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Aquisitions | - | - | - | - | - | - | - | - |
| Land Management | 443,924 | 440,554 | - | 3,370 | 1,919,086 | 1,888,363 | - | 30,723 |
| Labour - Operations | 435,612 | 435,612 | - | - | 1,948,381 | 1,897,419 | 50,962 | - |
| Consulting Fees | 409,549 | 409,549 | - | - | 1,442,546 | 1,417,481 | 25,065 | - |
| Office Expenses | 4,150 | 4,150 | - | - | 57,809 | 57,496 | 313 | - |
| Drilling, Surveying, Assays | 1,504,288 | 1,504,288 | - | - | 5,238,949 | 5,220,107 | 18,842 | - |
| Travel, Accomodations | 30,957 | 30,957 | - | - | 188,333 | 173,692 | 14,641 | - |
| Rentals and Supplies | 39,515 | 39,515 | - | - | 155,211 | 154,687 | 524 | - |
| Total expenditures | 2,867,995 | 2,864,625 | - | 3,370 | 10,950,315 | 10,809,245 | 110,347 | 30,723 |
| Financed by Partners | - | - | - | - | (1,666,912) | (1,666,912) | - | - |
| Total Additions | 2,867,995 | 2,864,625 | - | 3,370 | 9,283,403 | 9,142,333 | 110,347 | 30,723 |

New Accounting Policies

Leases

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the comparative numbers for 2018 are not restated and the cumulative effect of applying IFRS 16 has been recorded on January 1, 2019 for any differences identified. The Company has determined that the adoption of IFRS 16 resulted in no adjustments to the opening accumulated deficit balance.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IAS 17 and requiring the recognition of a right-of-use asset (“ROU asset”) and a lease liability at the lease commencement for all leases, except for short-term leases (lease term of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payment; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the consolidated statement of operations and comprehensive income (loss); and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented in operating activities) in the consolidated statement of cash flows. For short-term leases and leases of low value assets,

the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within general and administrative in the statement of operations and comprehensive loss.

The Company has opted to use the following practical expedients available on transition to IFRS 16:

- (a) Measure the ROU assets equal to the lease liability calculated for each lease;
- (b) Apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and
- (c) Accounting for non-lease components and lease components as a single lease component.

Upon transition to IFRS 16, the Company identified one lease contract for its corporate office space in St. John's, NL that resulted in an equivalent increase of \$132,726 to both the Company's ROU assets and lease liabilities.

Investments in Associates

Associates are entities over which the Company has significant influence, but not control, on financial and operating decisions. Significant influence is assumed if the Company has a 20% to 50% shareholding and voting rights in the entity, unless qualitative factors indicate otherwise. Similarly, significant influence is assumed not to exist if the Company has less than a 20% shareholding or voting rights in the entity, unless qualitative factors indicate otherwise.

Entities over which the Company has significant influence are accounted for by the equity method. The investment is initially recognized at cost. The carrying value of the investment is subsequently adjusted to recognize the Company's share of profits and losses of the associate after the date of acquisition or when significant influence begins. The Company's share of profits and losses is recognized in the consolidated statement of operations and its share of other comprehensive income or loss of the associate is included in the consolidated statement of operations and comprehensive loss.

Unrealized gains or losses between the Company and the associate upon transfer of assets are eliminated according to equity interest in the associate unless there is evidence of impairment to the asset transferred. Dilution gains or losses arising from changes in the Company's equity interest in the associate are recognized in the consolidated statement of operations and comprehensive loss.

The amounts included in the financial statements of the associate are adjusted to reflect adjustments made by the Company, when using the equity method, such as fair value adjustments made at the time of acquisition.

At the end of each reporting period, the Company will review the investment to determine if there is any objective evidence that the investment is impaired. If impaired, the carrying value of the Company's share of the underlying assets of the associate is written down to its estimated recoverable amount and recognized in the consolidated statement of operations.

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 March 31, 2020, the Company had cash of \$4,942,537 to settle current liabilities of \$1,113,039. 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 March 31, 2020, the Company held deposits in 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 \$18,000. 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 2.3%. As at March 31, 2020, the Company held three GICs with a combined principal of \$3,600,000 (December 31, 2019 – six GICs with a combined principal of \$3,600,000). As at March 31, 2020, the carrying value of the Company's short-term investments was \$3,693,400 (December 31, 2019 - \$3,663,824) including \$93,400 of accrued interest (December 31, 2019 - \$63,824).

(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 March 31, 2020.

| | US\$ | Euro | SEK |
|-----------------------|----------------|------------------|------------------|
| Cash | 46,634 | 708,288 | 3,301,684 |
| Receivables | - | - | - |
| Trade payables | (1,065) | (359,390) | - |
| Net currency exposure | 45,569 | 348,898 | 3,301,684 |

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 |
|--------------|---------------|----------------|
| 4,557 | 34,890 | 330,168 |

(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 March 31, 2020 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 \$371,300 (December 31, 2019 - \$350,050).

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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health

developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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 three months ended March 31, 2020, are available through www.sedar.com.