



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

**September 30, 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 November 25, 2020 and should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 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](http://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 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.

### **Nine Months 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: 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 drill holes 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: 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.
- July 2, 2020: Aurion announced that it commenced trading on the OTCQX® Best Market in the United States under the symbol “AIRRF”, while continuing to trade on the TSX Venture Exchange under the symbol “AU”.

- Current and future investors will benefit from a stronger and more efficient platform to trade within the US that also provides us with significant additional market exposure.
- July 20, 2020: Aurion reported results from recent work on regional targets highlighting the Risti Area's District Scale Gold Potential
  - Three potential zones of gold mineralization were identified at Kaaresselkä.
    - Kaaresselkä is a road accessible advanced gold prospect approximately 4 km south of Aamurusko Main, originally discovered through BoT sampling by the Finnish Geological Survey (GTK) in 1987.
    - There are 127 historical drill holes (GTK drilled 112 and Tertiary Minerals drilled 15) totaling 8,900 m including 7 RC drill holes and 120 diamond drill holes.
    - Drilling intersected a number of high-grade intercepts including 11.01 g/t Au over 4.9 m. Aurion acquired the project from Tertiary Minerals in 2017.
    - Additional work on Kaaresselkä included re-logging of all drill holes, oriented core measurements, detailed ground magnetic survey, whole rock geochemistry, GIS compilation and integration of historical data into 3D modelling software, which allowed for a reinterpretation of the geology and a better understanding of the property's potential.
  - Potential gold-bearing structure linking Aamurusko to Notches was identified in till sampling on 2.5 km long magnetic anomaly.
    - In the Niligap Zone, 41 HMCs from BoT samples were collected along an approximately 2.5 km long high magnetic feature that suggests geologic continuity from Aamurusko to Notches. ○ All the samples were above the 95th percentile for the distribution of gold grains in till samples in the Central Lapland Greenstone Belt.
  - Recent discoveries were made on Rupert Resources' property drilled approximately 200 m from the property boundary with Aurion's Kutuvuoma JV with B2 Gold Corp.
- July 27, 2020: Aurion reported that it had intersected high-grade gold at Launi East.
  - Drill hole LN20042 intersected a gold bearing 27 m wide (core length) fault zone starting at approximately 15 m downhole.
  - Unfortunately, there was 92% core loss in this interval due to the broken and deeply weathered nature of the host rock.
  - However much of the remaining core (2.7 m) was mineralized including three intervals that assayed 30.70 g/t Au over 0.10 m (remaining weathered material from a 3.6 m wide interval), 8.65 g/t Au over 0.55 m (remaining quartz vein material from a 3.2 m wide interval) and 0.52 g/t Au over 1.10 m.
- July 29, 2020: Aurion announced the appointment of Matti Talikka, as Chief Executive Officer, to become effective upon Mr. Talikka obtaining required permits and completing any outside contractual obligations.
  - Mr. Talikka is a geologist (M. Sc., FAusIMM (CP)) with experience in the fields of geological research, mineral exploration, project development, mining and minerals processing and has held senior technical and management positions in exploration, mining and minerals processing technology companies.
  - Between 2007 and 2015 Mr. Talikka was employed by Dragon Mining Limited where he held several positions including General Manager Exploration focusing on exploration and project development in Finland and Sweden. Since 2015 he has worked at Outotec in various global positions most recently as Director Geometallurgy and Project Evaluation.
  - Mr. Talikka is a Fellow of the Australasian Institute of Mining and Metallurgy, and Chartered Professional under the discipline of Geology. He has been a non-executive director of Aurion since 2015.

- August 26, 2020: Aurion announced that JV partner, B2Gold intersected high-grade gold at Kutuvuoma.
  - Three (3) diamond drill holes confirmed lateral extensions of gold mineralization west and east of the Kutuvuoma historical main zone, and where B2Gold previously intersected 11.40 g/t Au over 13.30 m in drill hole KU16003 in 2016 (press release Dec. 13, 2016).
  - Drill hole KU20008 intersected 12.28 g/t Au over 2.75 m from 28.15 m downhole, including 21.60 g/t Au over 1.40 m located 270 m to the west of Outokumpu drilling. Drill hole KU20006 intersected 6.74 g/t Au over 5.60 m from 121.20 m downhole, including 16.35 g/t Au over 1.40 m located 200 m to the east of Outokumpu drilling.
  - Gold mineralization has now been intersected by drilling at Kutuvuoma over a distance of 1,080 m along strike, with mineralization open in all directions.
  - The ongoing 2020 US\$3.3 million JV exploration program comprises diamond drilling, trenching and Base of Till (BoT) sampling on a number of targets within the JV Area of Interest, including work on Kutuvuoma, Kutuvuoma East, near Rupert Resources' discoveries, and on a second JV property, Sinerma, located approximately 10 km to the northwest of Kutuvuoma.
  - The mineralization style, host rocks and geological setting appear to be similar to Rupert Resources' recent Ikkari and Heina discoveries situated approximately 8 km to the east, and less than 250 m north of the common property boundary which may suggest regional scale potential in this area.
  
- Oct. 6, 2020: Subsequent to the end of the quarter, Aurion announced the early encouraging results from Scout Drilling campaign at Risti
  - A zone of secondary silver enrichment - 96.12 g/t Ag over 22.40 m (AM20131 from 43.60 m) was intersected near surface comprising saprolitic material, sandstone and quartz veins, approximately 600 m east of Aamurusko Main.
  - Drill hole AM20133 returned a gold intercept of 5.17 g/t Au over 0.77 m (from 37.65 m) in a crack and seal quartz vein, approximately 700 m east of Aamurusko Main. Link for plan map of the drill holes.

## **Mineral Exploration Properties**

### **Finland**

The Company began operating in Finland in early 2014 and currently holds or has interest in tenements covering approximately 93,000 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 and the **Launi** property. These land holdings are located approximately 850 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 nearby airports in the towns of Kittilä and Rovaniemi.

Most historic, economically important gold deposits of the CLGB occur in direct proximity to the metallogenically important "Sirikka Line" that is centered along the course of the Sirikka Shear Zone (SSZ), a major south dipping thrust fault system showing northeast transport that has been mapped for over 120 km along an east-southeast trend within the CLGB. The SSZ is characterized by numerous sub-parallel splays that also host important, structurally focused gold mineralization such as that present in the Pahtavaara

deposit, located 12.4 km east of Aamurusko, and the Saattopora deposit located 82 km northwest of Aamurusko. A set of north-south trending strike-slip shear zones that depart northward from the SSZ are also important regional controls to gold mineralization, the most important of these currently being the Kiistala Shear Zone that hosts the previously mentioned Kittilä gold mine. The Hanhima Shear Zone (HSZ) parallels the Kiistala structure and is located about 10 km to the west of it. Significant new gold occurrences on the Hanhima trend serve to identify this as an emerging regional-scale gold trend. The Sila property, which the Company has optioned to Strategic Resources Inc., occurs strategically along strike to the north and covers an essentially unexplored, 13 km long interpreted northern extension of the favorable Hanhima trend.

### **Finland Properties Not Subject to Partnership Agreements:**

#### ***RISTI***

The Risti Project covers approximately 16,191 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 SSZ, 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 Kaasselkä 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, 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 included 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 were observed in several drill holes.

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.

From May 2019 to February of 2020 a total of 35 drill holes comprising 6,919 metres (m) were completed. Most of these were targeting the Aamurusko NW area but some were completed at Aamurusko Main. 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 included higher grade vein zones with interspersed anomalous values (>0.10 – 0.90 g/t Au) and 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 noted similar geology at Aamurusko and Notches, which are on strike with one another and 3 km apart.

Trenching and reconnaissance surface mapping occurred 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.

### **Kaaresselkä**

Located approximately 4 km south-southwest of Aamurusko, the 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 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 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 in 2018 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 five of six 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 in 2018 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 ha. Launi East has no record of prior exploration or mining licenses. Paved highway and all-weather gravel roads provide easy access to the property which is located only 8-10 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 volcanoclastic 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 results of the 2019-20 drill program are discussed below.

### **Drilling Highlights:**

- Aurion drilled a total of 49 holes for approximately 7,270 metres (m) primarily utilizing a small capacity “scout” drill rig with most holes drilled to depths less than 125 m. The majority of the drill holes were located in a 1.0 by 1.5 km area in the northern portion of the property. The main targets discussed here are the Hinge Zone, CDZ Corridor (Kookoo and Christmas zones), Midsommer and Bonanza targets.
- Multiple gold bearing veins intersected in >300 m wide by >1.0 km long corridor
- High-grade near-surface gold intersected in wide fault zone on blind geophysical target
  - Assays up to 30.70 and 8.65 g/t Au
  - Target >1.5 km strike length

**Hinge Zone Target** is located in the north-central portion of the property and interpreted to be a blind fault/shear zone associated with a tightly folded mafic unit based on ground magnetic geophysics occurs along the west side of the CDZ Corridor (see below). This target was tested with three (3) drill holes. Drill hole LN20042 intersected a gold bearing 27 m wide (core length) fault zone starting at approximately 15 m downhole. Unfortunately, there was 92% core loss in this interval due to the broken and deeply weathered nature of the host rock however much of the remaining core (2.7 m) was mineralized including three intervals

that assayed 30.70 g/t Au over 0.10 m (remaining weathered material from a 3.6 m wide interval), 8.65 g/t Au over 0.55 m (remaining quartz vein material from a 3.2 m wide interval) and 0.52 g/t Au over 1.1 m. Several other samples from the zone were also weakly anomalous (up to 0.05 g/t Au). The other two drill holes failed to reach target depth.

The Hinge Zone Target is an isoclinal fold structure interpreted primarily upon ground magnetic geophysics and appears to have more than 1.5 km of strike length. The shear zone reported here occurs along the eastern limb of this tight fold. This type of geological feature is often an ideal site for the location of shear/fault zones and for potentially hosting robust gold mineralization. A good recent example of this type of potential occurs at Great Bear Resources (TSX-V:GBR) Dixie property in northern Ontario. Future drilling with a larger capacity drill rig will also test the western limb as well as the hinge or core of this fold structure.

**CDZ Corridor** is located in the northeastern portion of the Launi property. Thirty-five (35) 40 to 200 m spaced drill holes were completed over a strike length of approximately 1.0 km, testing several targets along a narrow trend of high grade boulder and outcrop samples (>300 rock samples averaging 5.18 g/t Au) within a NNW-SSE trending 300-400 m wide 2.5 km long corridor bounded to the east by the Sirkka Shear Zone (a 125 km long major crustal scale fault) and the Hinge Zone Target to the west. Gold mineralization was intersected in 22 of 29 drill holes and is hosted by flat to steep quartz-pyrite-hematite veins and/or breccias up to 1.0 m in width. The best results include 63.90 g/t Au over 0.37 m, 5.50 g/t Au over 0.40 m, 6.61 g/t Au over 0.33 m and 3.08 g/t Au over 0.70 m.

The corridor is underlain by tightly folded and faulted and variably silica-sericite-fuchsite altered sedimentary rocks and locally outcropping quartz veins. Most of this corridor is overburden covered. While the drilling was primarily testing one main 3-5 m wide NNW-SSE trending shear zone within the CDZ Corridor, the results indicate the presence of numerous concealed steep to shallowly dipping gold bearing quartz veins parallel or sub-parallel to this shear zone.

**Midsommer Target** is located approximately 350 m west of the CDZ Corridor and comprises a series of NNW-SSE trending intermediate volcanic hosted quartz-tourmaline veins in outcrop and boulder fields over an area of roughly 250 by 300 m. Previously, 209 rock samples collected assayed an average of 2.01 g/t Au. Six (6) 40 to 90 m spaced drill holes tested this target. Four of the drill holes drilled beneath a boulder field. Gold bearing quartz-pyrite-tourmaline veins and stockwork up to 10 m wide were encountered in all drill holes. The best intercepts include 1.37 g/t Au over 1.00 m, 1.01 g/t Au over 2.35 m and 0.31 g/t Au over 10.00 m including 1.87 g/t Au over 0.90 m.

**Bonanza Target** – is located approximately 4.4 km south of the CDZ Corridor and 1.4 km to the west of the Sirkka Shear Zone. Trenching exposed a 125 m long gold bearing WSW-ENE quartz-tourmaline vein where surface channel samples returned values of 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 in quartz veining. Five (5) drill holes spaced 20-40 m apart were completed with best results of 3.71 g/t Au over 1.50 m, including 11.15 g/t Au over 0.45 m and 2.02 g/t Au over 0.64 m.

**Mother Day and Launi SE** targets located in the southern portion of the property were tested with one and two drill holes respectively. No significant values were returned.

## ***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 Kaasselkä from Tertiary. Kiekerömaa is subject to the conditions described for Kaasselkä.

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 may 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 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 €1,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of €2,000,000 in cash or equivalent in common shares of the Company for the defining of 1,000,000 ounces of gold material and €1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional 1,000,000 ounces of gold equivalent material within the projects and the defined Area of Interests.



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 1990s by Outokumpu Oy, a publicly listed company in which the Finnish state is the largest 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 potassic (sericite and k-feldspar) alteration and brecciation with abundant iron oxide (magnetite and specular hematite) mineralization. Visible gold is common within the veins.

Through 2016, the Company 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 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 them time to analyze past work completed and plan for a future program.

For 2020, B2Gold planned a series of BoT drilling and approximately 750 m of diamond drilling on the JV properties.

### **2020 Drilling Highlights from Kutuvuoma:**

- 12.28 g/t Au over 2.75 m from 28.15 m downhole, including 21.60 g/t Au over 1.40 m in drill hole KU20008, 270 m west of Outokumpu historical drilling
- 6.74 g/t Au over 5.60 m from 121.20 m downhole, including 16.35 g/t Au over 1.40 m in drill hole KU20006, 200 m east of Outokumpu historical drilling
- High-grade gold has been intercepted in drilling over 1,080 m strike extent; mineralization remains open in all directions

JV partner B2Gold reported initial drill assay results from the ongoing 2020 exploration program on the Kutuvuoma joint venture (JV) project located immediately west of and contiguous with Aurion's Flagship Risti Property. Three (3) diamond drill holes were designed to test for lateral extensions of gold mineralization west and east of the Kutuvuoma historical main zone, and where B2Gold previously intersected 11.40 g/t Au over 13.30 m in drill hole KU16003 in 2016 (press release Dec. 13, 2016).

The results confirm lateral extensions to the west and east of the main zone at Kutuvuoma. Drill hole KU20008 intersected 12.28 g/t Au over 2.75 m from 28.15 m downhole, including 21.60 g/t Au over 1.40 m located 270 m to the west of Outokumpu drilling. Drill hole KU20006 intersected 6.74 g/t Au over 5.60 m from 121.20 m downhole, including 16.35 g/t Au over 1.40 m located 200 m to the east of Outokumpu drilling. Gold mineralization has now been intersected by drilling at Kutuvuoma over a distance of 1,080 m along strike, with mineralization open in all directions.

Kutuvuoma is located approximately 8 km to the east of Rupert Resources' recent Ikkari and Heina discoveries, which lie less than 250 m north of the JV's common property boundary. In both settings, mineralization is hosted primarily by igneous rocks of the Savukoski Group occurring near the unconformity with younger sedimentary rocks of the Kumpu Group. This unconformity is one of the primary exploration targets for gold mineralization at Risti.

The ongoing US\$3.3 million JV exploration program comprises diamond drilling, trenching and BoT sampling on a number of targets within the JV Area of Interest, including work on Kutuvuoma, Kutuvuoma East, near Rupert Resources' discoveries, and on a second JV property, Sinerma, located approximately 10 km to the northwest of Kutuvuoma.

### **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 9,001 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 were 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), 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 Hanhima Shear Zone (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).

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.

## **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**

Andrew Hussey, P. Geo., a Qualified Person as defined by NI 43-101, is responsible for the preparation of the foregoing property reports.

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**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		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>EXPENSES</b>				
General and Administrative	202,696	271,100	919,446	651,336
Wages and benefits	212,394	288,306	715,002	665,048
Consulting fees	4,500	10,260	13,516	20,880
Professional fees	44,685	51,655	95,155	103,137
Share based payments	390,855	346,055	1,766,212	763,298
Write-down of exploration and evaluation assets	2,515	611,539	5,885	624,645
Accounting	20,636	6,564	64,664	47,218
Depreciation	39,961	33,791	94,103	98,285
Amortization of right-of-use assets	8,656	-	25,968	-
Interest and bank charges	3,374	1,334	4,564	7,928
Interest on lease liabilities	2,285	-	6,858	-
Property investigation costs	-	6,980	-	6,980
Loss on disposal of assets	-	707	-	707
	(932,557)	(1,628,291)	(3,711,373)	(2,989,461)
<b>OTHER INCOME (EXPENSES)</b>				
Unrealized gain (loss) on marketable securities	1,187,917	(193,000)	2,292,917	(196,000)
Foreign exchange gain (loss)	21,916	7,706	80,110	(36,511)
Other Income	19,414	514,415	610,211	2,585,004
Gain on sale of marketable securities	-	-	-	-
	1,229,247	329,121	2,983,238	2,352,493
Net gain (loss) for the period	296,690	(1,299,169)	(728,135)	(636,968)

For the three months ended September 30, 2020 compared to the three months ended September 30, 2019:

- Write-down of exploration and evaluation assets is lower by \$609,024
- Wages and benefits are lower by \$75,912
- General and administrative costs are lower by \$68,404
- Consulting fees are lower by \$5,760
- Professional fees are lower by \$6,969
- Accounting fees are higher by \$14,072
- Share-based payments expense is higher by \$44,800
- Total expenses are lower by \$695,733
- Other income (expenses) is higher by \$900,126

For the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019:

- Write-down of exploration and evaluation assets is lower by \$618,760
- Wages and benefits are higher by \$49,954
- General and administrative costs are higher by \$268,110
- Consulting fees are lower by \$7,364
- Professional fees are lower by \$7,981
- Accounting fees are higher by \$17,446
- Share-based payments expense is higher by \$1,002,914
- Total expenses are higher by \$721,912
- Other income (expenses) is higher by \$91,167

Total expenses for the three and nine months ended September 30, 2020 compared to the three and nine months ended September 30, 2019 are higher mainly due to share-based payment expense related to the vesting of stock options. Consulting and professional fees are lower for the three and nine months ended September 30, 2020 compared to the three and nine months ended September 30, 2019 due to the higher fees incurred in the prior year relating to property agreements. Accounting costs are higher for the three and nine months ended September 30, 2020 compared to the three and nine months ended September 30, 2019 due to additional fees incurred in the current period related to sub company and partner tax accounting. General, administrative and wages expenses for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019 is higher primarily as a result of growth experienced by the Company and the policy adopted in late 2019 for the re-allocation of some expenses to corporate costs to properly reflect the nature of the expenses incurred. Due to the COVID 19 pandemic, reduction of employee travel contributed to lower general operating costs incurred for the three months ended September 30, 2020 compared to the three months ended September 30, 2019.

### **Quarterly Information**

	(\$) Write-down of exploration and evaluation assets	(\$) Other expenses	(\$) Other Income & Expenses	(\$) Net Gain (Loss)	(\$) Basic & Diluted Gain (Loss) per Share
<b>IFRS</b>					
Q3 - September 30, 2020	2,515	930,042	1,229,247	1,229,247	0.004
Q2 - June 30, 2020	-	1,288,505	(2,463,722)	1,175,217	(0.014)
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)



## **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 140,845 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.

On July 28, 2020, the Company granted 162,602 DSUs to certain officers under its DSU Plan at a market value of \$1.23 per DSU. These DSUs will vest one third on each of July 28, 2021, July 28, 2022, and July 28, 2023.

On July 28, 2020, the Company granted 100,000 stock options to a director exercisable at a price of \$1.38 per share until July 28, 2025.

On September 30, 2020, the Company granted 78,740 DSUs to certain officers under its DSU Plan at a market value of \$1.27 per DSU. These DSUs will vest one third on each of September 30, 2021, September 30, 2022, and September 30, 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 September 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 September 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 November 25, 2020 the following were outstanding:

83,476,771 common shares  
720,481 share purchase warrants  
7,745,000 stock options  
1,177,098 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		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Michael Basha, President	82,340	118,068	374,625	313,376
Mark Serdan, CFO	59,354	78,043	238,394	209,118
Mark Santarossa, VP Corporate Development	84,037	78,321	231,643	78,321
Other Directors	107,846	83,312	255,433	97,280
	333,577	357,744	1,100,095	698,095
Amounts expensed as:				
Salary and other short-term benefits for the President	50,000	50,000	150,000	150,000
Salary and other short-term benefits for the CFO	37,500	37,500	112,500	112,500
Salary and other short-term benefits, VP Corp Dev	31,250	31,250	93,750	31,250
Directors' Fees	20,000	80,000	60,000	80,000
Share-based compensation	194,827	158,994	683,845	324,345
	333,577	357,744	1,100,095	698,095

### Mineral Properties

As at September 30, 2020

Geographical Area	Balance, Beginning of Period	Additions	Receipts From Partners	Properties Written Down	Balance, End of Period
	\$		\$		\$
Finland	21,411,308	7,230,065	(514,416)	-	28,126,957
Sweden	447,446	-	-	-	447,446
United States	19,475	-	-	-	19,475
Mexico	-	5,885	-	(5,885)	-
	21,878,229	7,235,950	(514,416)	(5,885)	28,593,878

As at December 31, 2019

Geographical Area	Balance,	Receipts			Balance,
	Beginning of	Additions	From	Properties	End of
	Year		Partners	Written Down	Year
	\$	\$	\$	\$	\$
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)	-
	<b>14,546,944</b>	<b>10,950,315</b>	<b>(1,666,912)</b>	<b>(1,952,118)</b>	<b>21,878,229</b>

	September 30, 2020				December 31, 2019			
	total	Finland	Sweden	USA/Mexico	total	Finland	Sweden	USA/Mexico
	\$	\$	\$	\$	\$	\$	\$	\$
Aquisitions	-	-	-	-	-	-	-	-
Land Management	1,338,062	1,332,177	-	5,885	1,919,086	1,888,363	-	30,723
Labour - Operations	1,508,196	1,508,196	-	-	1,948,381	1,897,419	50,962	-
Consulting Fees	572,878	572,878	-	-	1,442,546	1,417,481	25,065	-
Office Expenses	8,876	8,876	-	-	57,809	57,496	313	-
Drilling, Surveying, Assays	3,640,199	3,640,199	-	-	5,238,949	5,220,107	18,842	-
Travel, Accomodations	85,831	85,831	-	-	188,333	173,692	14,641	-
Rentals and Supplies	81,908	81,908	-	-	155,211	154,687	524	-
Total expenditures	7,235,950	7,230,065	-	5,885	10,950,315	10,809,245	110,347	30,723
Financed by Partners	(514,416)	(514,416)	-	-	(1,666,912)	(1,666,912)	-	-
Total Additions	6,721,534	6,715,649	-	5,885	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 September 30, 2020, the Company had cash of \$1,897,600 to settle current liabilities of \$1,221,119. 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 September 30, 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 \$13,000. 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 September 30, 2020, the Company held two GICs with a combined principal of \$2,600,000 (December 31, 2019 – six GICs with a combined principal of \$3,600,000). As at September 30, 2020, the carrying value of the Company's short-term investments was \$2,660,380 (December 31, 2019 - \$3,663,824) including \$30,380 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 September 30, 2020.

	<b>US\$</b>	<b>Euro</b>	<b>SEK</b>
Cash	<b>40,599</b>	<b>428,512</b>	<b>3,294,353</b>
Receivables	-	<b>245,080</b>	-
Trade payables	-	<b>(637,910)</b>	<b>(1,500)</b>
Net currency exposure	<b>40,599</b>	<b>35,682</b>	<b>3,292,853</b>

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:

	<b>US\$</b>	<b>Euro</b>	<b>SEK</b>
	<b>4,060</b>	<b>3,568</b>	<b>329,285</b>

(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 September 30, 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 \$627,708 (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 and on the OTCQX Market in the United States under the symbol AIRRF. Financial statements, press releases issued by the Company and all other regulatory filings, including those issued during the nine months ended September 30, 2020, are available through [www.sedar.com](http://www.sedar.com).