



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

**March 31, 2021**

## Management's Discussion and Analysis March 31, 2021

### **Background**

This discussion and analysis of financial position and results of operations of Aurion Resources Ltd. (the "Company" or "Aurion") is prepared as of May 26, 2021 and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2021 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.

### **Quarter Highlights and Significant Events:**

- Jan. 13, 2021: Aurion announced that the Aurion-B2Gold Joint Venture had made two new discoveries and provided an expanded exploration campaign for 2021 with a focus on the Ikkari-Kutuvouma area.
  - A new gold discovery was made at Sinermä located 23 km SSW of Agnico-Eagle's Kittilä Mine.
    - Trench channel sampling results included 1.07 g/t Au over 42.40 m and 1.30 g/t Au over 20.80 m.
    - A four-hole diamond core drilling program returned intersects including 0.54 g/t Au over 40.20 m (SIN20001 from 7 m down hole), 6.80 g/t Au over 0.75 m (SIN20003 from 110.80 m down hole) and 4.11 g/t Au over 1.40 m (SIN20002 from 13.50 m down hole).
  - **High-grade gold was intersected at Kutuvouma East.**
    - Gold intersects included 14.77 g/t Au over 1.60 m (KUE20003 from 42.20 m down hole) and 1.63 g/t Au over 2.80 m (KUE20001 from 50.90 m down hole), were

- returned from a new target area located along strike and in between Rupert Resources Ltd.'s Ikkari discovery (3-4.5 km to east) and the Kutuvuoma prospect (3.5-5.0 km to west).
- B2Gold is planning to increase the level of exploration activities in 2021 with an initial budget of CAN\$6 million.
    - Preliminary plans include geophysical surveys, trenching, base of till sampling and at least 5,000 m of diamond drilling with a focus on the Kutuvuoma-Ikkari area.
    - Rupert Resources' Ikkari discovery is located 100-300 m from the JV property boundary with the prospective geological sequence interpreted to extend to the JV area.
    - The possible extensions of the discovery will be tested following the granting of the adjacent exploration permits.
  - Feb. 23, 2021: Aurion announced that it completed a marketed private placement (originally announced Jan. 29, 2021), and a non-brokered private placement to Kinross Gold Corporation ("Kinross") for an aggregate of 13,425,033 common shares of the Company at a price of C\$0.85 per Common Share for gross proceeds of C\$11,411,278.
    - Under the marketed private placement, the Company issued 11,855,033 common shares for aggregate gross proceeds of C\$10,076,778.
    - Under the Non-Brokered Financing, the Company issued 1,570,000 common shares for aggregate gross proceeds of C\$1,334,500. The Non-Brokered Financing was fully subscribed for by Kinross Gold Corporation. Kinross exercised its pro rata right granted pursuant to a prior financing to maintain a 9.98% interest in the Company.
  - Mar. 30/31, 2021: Aurion announced Management and Board of Directors changes.
    - Mike Basha resigned as President, Director and Officer of the Company for personal reasons.
    - Mr. Basha has agreed to consult to the Company as a technical advisor on an ongoing basis moving forward.
    - Ms. Leily Omoumi, B. Eng, MBA, joined Aurion as an independent Director to the Board of Directors of the Company.
      - Ms. Omoumi brings over 17 years of experience across the mining industry and capital markets.
      - She was most recently Vice President, Corporate Development at Teranga Gold, a mid-tier gold producer, where she played an integral role in the advancement of the company's strategic direction and completed two landmark M&A transactions, including the sale of Teranga Gold to Endeavour Mining.
      - Previously Ms. Omoumi was at BMO Asset Management covering mining and oil and gas equities as a buy-side analyst, and prior to that she was a sell-side analyst covering precious metals equities at Scotia Capital.
      - Ms. Omoumi holds a bachelors degree in Mechanical Engineering, and an MBA from the University of Toronto.
  - Apr. 19, 2021: Aurion announced that it has commenced diamond core drilling and base of till sampling programs on its wholly owned Risti and Launi Properties:
    - Aurion has commenced its 2021 drilling program, which is planned to test a number of target areas including the high-grade Aamurusko and Notches Prospects at the Risti Property and the Hinge Zone Prospect at the Launi East Property.
    - The program is expected to continue for the majority of the following twelve-month period for a minimum of 10,000 m of drilling.
    - The first phase comprises up to ten holes targeting the Aamurusko Prospect.
    - The second phase is designed to test several target areas at the Launi East Property.
    - Regional base of till sampling program is ongoing and targeting previously unexplored areas with the potential of the existence of mafic-ultramafic hosted gold mineralizations such as

- Rupert Resources' Ikkari discovery.
- Sampling is planned to take place in several areas including northeast and southern parts of the Risti Property and eastern part of the Launi East Property.
- The first phase of the program comprises 2,000-2,500 samples and is expected to continue for several months.

## **Mineral Exploration Properties**

### **Finland**

The Company began operating in Finland in early 2014 and currently holds or has interest in tenements covering approximately 900 km<sup>2</sup> within the Central Lapland Greenstone Belt (“CLGB”) of the Fennoscandian Shield – including the Company’s flagship properties **Risti and Launi**, which host a number of recent discoveries by Aurion including the **Aamurusko** high-grade discovery within the Risti property.

Aurion’s land holdings are located approximately 850 km north of the Finnish capital of Helsinki and occur entirely north of the Arctic Circle. 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. Aurion’s field base is located in the town of Sodankylä, which is located approximately 30 minute drive from the main properties. Finland has been consistently ranked among the top jurisdictions for mining investments by the Fraser Institute’s annual surveys.

The CLGB is considered highly prospective for the existence of gold and base metal mineralization. The region hosts Europe’s largest gold mine, the Kittilä Gold Mine owned by Agnico-Eagle Limited, Boliden’s Kevitsa Ni-Cu-PGE mine and Anglo American’s Sakatti Ni-Cu-PGE discovery. In addition, a large number of gold and other metal prospects occur close to the major structural zones such as the Sirkka Shear Zone, which is a major, crustal scale, thrust fault system extending over 120 km in strike length. Aurion has interest in land positions covering approximately 80 km of the Sirkka Shear Zone.

The CLGB has seen a very limited amount of exploration compared to similar types of greenstone belts such as Abitibi and Norseman-Wiluna. The main reason for the lack of exploration activities is that exploration and mining was limited to local, state-controlled entities until 1995 when Finland joined the European Union. The majority of the historic exploration and mining focused on base metals; gold indications were typically archived and not followed up. The prospectivity of this under-explored region has been demonstrated by over 20 new gold discoveries by Aurion and its neighbors since 2016.

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

<b>Property</b>	<b>Area (~km<sup>2</sup>)</b>	<b>Prospect</b>
Risti	160	A2, Aamurusko, Kaaresselkä, Notches, Risti NW, Sukuvaara, YNOT
Launi East & West	144	Bonanza, Christmas Deformation Zone, Hinge Zone, Lakijänkä, Midsommer, Stubley
Auermaa	671	Auermavaara, Kuskoiva

**Summary of Finland Properties Subject to Partnership Agreements:**

<b>Property</b>	<b>Area (~km<sup>2</sup>)</b>	<b>Prospect</b>
B2Gold JV	298	Ahvenjärvi, Hirvilavanmaa, Kettukuusikko, Kiekerömaa, Kutuvuoma, Kutuvuoma East, Palovaara, Sinermä, Soretialehto, Soretiavuoma, Tuongankuusikko
Kinross JV(*)	90	*On May 3, 2021, the Company received formal notice from Kinross that the option agreement has been terminated. Aurion will regain full ownership of the Property and related data.
Strategic Resources Option	259	Sila

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

**RISTI PROPERTY**

Aurion's wholly owned Risti Property covers approximately 160 km<sup>2</sup> in the CLGB in northern Finland. The Risti Property is located 20 km NNW of Sodankylä and is accessible via paved and all-weather gravel roads through rolling hills and forests.

Aurion has made multiple gold discoveries since the commencement of exploration activities in 2015. Significant new gold discoveries at Risti include: Aamurusko Main, Aamurusko NW, 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.

The geological setting of the Risti Property has many similarities to prolific gold-rich orogenic gold belts globally, such as 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. The Kumpu group conglomerates resemble the Timiskaming conglomerates of the Timmins and Kirkland Lake area of the Abitibi and occur in a similar geo-tectonic setting (both represent the youngest stratigraphic sequence within their respective belts). The Kumpu group and the Timiskaming group were deposited in late orogenic extensional basins. They form in relation to major movement along regional faults or deformation zones. In the Abitibi province, many high-grade, multi-million-ounce gold deposits are temporally and spatially associated with the Timiskaming conglomerates (or their equivalents) in close proximity to major regional deformation (fault) zones such as the Porcupine-Destor or Cadillac Lake-Larder Lake deformation zones. The Kumpu group appears to have been deposited in a similar geological setting adjacent to the Sirkka Shear Zone, the crustal scale 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.

Gold is hosted by various lithologies including clastic conglomerates (examples: Aamurusko, Notches) and mafic-ultramafic rocks (examples: Ikkari, Kutuvuoma, Kaasselkä) within the Risti Property and adjoining areas. The abundance and scale of gold mineralization along several structures over significant strike lengths and the fact that gold is hosted by various lithologies point to a conclusion that a powerful hydrothermal system has led to the camp scale footprint of gold mineralization.

The majority of the Risti Property had not been explored prior to Aurion. Aurion's exploration activities started in 2015 with prospecting and mapping, which led to the initial discovery of high-grade boulders in the Aamurusko area in 2016. Further activities have included detailed and regional prospecting, geological mapping, trenching, ground and drone geophysics, soil sampling, base of till sampling and diamond core drilling.

Approximately 6,200 boulder, sub-crop and outcrop samples collected and assayed from the Risti Property average 6.7 g/t Au. The surface sampling has identified extensive footprints of gold mineralized samples in several areas including the Aamurusko and Notches prospects. The prospecting and mapping programs have mainly focused on domains with silica rich sediments, e.g. conglomerates, because such lithologies are comparably resistant to weathering and can be observed on surface in several areas. As such, sampling is mainly from gold mineralization hosted by clastic sediments. Mafic and ultramafic lithologies are less resistant to weathering and typically these areas are low lying and covered by overburden. Identification of this type of mineralization requires overburden penetrative exploration methods such as base of till sampling.

Exploration activities and results on various prospects are presented in the following chapters. 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.

### **Aamurusko Prospect**

The Aamurusko prospect is located near the center of the Risti Property. A total of 1,210 samples with an average grade of 24.9 g/t Au have been collected from an area measuring 1.7 km by 1.3 km. The samples are predominantly from large and angular quartz (with or without tourmaline and/or Fe-Oxide) blocks with many samples containing coarse visible gold. 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.

The initial prospecting and mapping campaign was followed by further field activities including the maiden drilling program in 2017 and follow up drilling programs in 2018, 2019 and early 2020. A total of 138 holes and 24,216 m of drilling has been completed in the Aamurusko area at various targets including Main, NW and Gap Zone.

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) intercepts occur in this area including a very high-grade intercept of 789 g/t Au over 2.90 m.

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

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 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 mineralization is open to extensions. Drilling in early 2020 also identified new zones of gold mineralization 200 m north of Aamurusko NW along and on the northern side of a previously untested fault structure.

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 targets. Mapping has identified fault structures and a widespread quartz stockwork extending 300 m by 100 m. The target was tested by a few drill holes in early 2020. All drill holes intersected zones of gold mineralization.

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)

### **Notches Prospect**

The Notches prospect is a 5 km long and 1 km wide, northwest-southeast trending outcrop ridge located 3 km to the southeast of Aamurusko. Prospecting led 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.

Approximately 2,650 grab samples with an average grade of 2.2 g/t Au have been collected from boulders, sub-crops and outcrops. In addition to prospecting and mapping, 27 trenches have been excavated and 6 drill holes have been completed at Notches.

In the area of trench NOT1817 gold mineralization is hosted within a 5-10 m wide conglomerate unit with 1-15 % disseminated sulphides (pyrite-pyrrhotite-chalcopyrite-galena and locally visible gold) and altered by silica, hematite, iron oxide and carbonate. The conglomerate is also cross-cut by flat and steep gold-bearing quartz veins.

Channel sampling highlights from Notches:

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

Drilling highlights from Notches:

- 2.99 g/t Au over 2.10 m from 31.40 m (Drill hole NT18005)
- 20.30 g/t Au over 0.65 m from 27.40 m (Drill hole NT18006)

### **Kaaresselkä Prospect**

The Kaaresselkä prospect is located approximately 4 km south-southwest of Aamurusko. The gold-copper mineralization was discovered by the Geological Survey of Finland (GTK) in 1987. No exploration has been conducted since 2004 until the acquisition by Aurion.

Aurion acquired the Kaaresselkä and Kiekerömaa gold prospects from Tertiary Minerals Plc (“Tertiary”) in 2016. 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.

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. The gold mineralization is mainly hosted by strongly altered and sheared mafic volcanic rocks.

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. Historical drilling was shallow with gaps along the strike of the mineralized zones.

Activities by Aurion has included re-logging of drill holes, oriented core measurements, a detailed ground magnetic survey, whole rock geochemistry, GIS compilation and integration of historical data into 3D modelling software. This compilation work has allowed for a reinterpretation of the geology and a better understanding of the property’s potential.

Drilling highlights from Kaaresselkä:

- 1.52 g/t Au over 2.85 m from 306.50 m (KS20001)
- 1.85 g/t Au over 5.40 m from 199.00 m (KS20002)
- 11.01 g/t Au over 4.90 m from 74.80 m (04KD007B)
- 13.5 g/t Au over 2.75 m from 3.90 m (04KD010)
- 4.9 g/t Au over 8.30 m from 130.00 m (04KD013)
- 3.2 g/t Au over 6.2 m from 152.60 m (05KD002)

### **YNOT Prospect**

The YNOT prospect is located approximately 3.5 km west-northwest of Aamurusko. The discovery of high-grade boulders was followed by excavation of six trenches. An east-west trending quartz vein system hosted by moderate to strong iron carbonate alteration up to 10 m wide was identified in five of six trenches. Grab samples range up to 705.00 g/t Au.

Channel sampling highlights from YNOT:

- 7.18 g/t Au over 1.52 m (Trench WNT18001)
- 17.55 g/t Au over 0.60 m (Trench WNT18001)

### **A2 Prospect**

The A2 prospect is located approximately 2 km north of Aamurusko. 52 rock samples were collected from quartz veins, quartz stockworks, breccias and tension vein arrays, occurring 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. 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 the prospecting discoveries at A2.

### **Risti NW Prospect**

The Risti NW prospect is 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. 133 rock samples from angular boulders and sub-outcrop assayed up to 108.5 g/t Au and an average of 1.94 g/t Au. No trenching or drilling has been conducted at Risti NW.

### **Sukuvaara Prospect**

The Sukuvaara prospect is located approximately 1.5 km southeast from the Notches prospect. An envelope of alteration and quartz veining within sandstone was identified during 2020 field activities. Trenching (total length of 150 m) and four drill holes confirmed the existence of altered and quartz veined sandstone units and returned several zones with elevated gold up to 1.81 g/t Au.

### **Exploration activities**

During the three months ended March 31, 2021, the Company drilled 4 holes totalling 540.70 m at the Aamurusko prospect as part of the 2021 drilling program, which is planned to test a number of target areas including the high-grade Aamurusko and Notches Prospects at the Risti Property and the Hinge Zone Prospect at the Launi East Property. The program is expected to continue for the majority of the following twelve-month period for a minimum of 10,000 m of drilling. The first phase comprises up to ten holes targeting the Aamurusko Prospect and is planned to take advantage of the winter conditions to enable access to drill sites using a track mounted rig (Apr. 19, 2021 Press release). Samples from the drill holes have been submitted for assay and results will be released in due course.

As part of a regional base of till sampling program, a total of 1,054 samples were collected within the Risti Property. The sampling program is ongoing and targeting previously unexplored areas with the potential of the existence of mafic-ultramafic hosted gold mineralization such as Rupert Resources' Ikkari discovery. Mafic-ultramafic domains are typically covered by overburden and base of till sampling has been successfully deployed during the discovery process of most gold and base metal deposits in the Central Lapland Greenstone Belt. The majority of the extensive Risti Property is covered by overburden and these areas have not been explored before. Sampling is planned to take place in several areas including northeast and southern parts of the Risti Property (Apr. 19, 2021 Press release). Obtained samples have been submitted for assay and results will be released in due course.

## **LAUNI PROPERTY**

Aurion's wholly owned Launi Property consists of two blocks, Launi East and Launi West with a combined area of approximately 144 km<sup>2</sup>. 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 8-10 km south of the Risti Property and 10 km northwest of the municipality of Sodankylä.

### **Launi East Property**

The Launi East Property covers an area approximately 43 km<sup>2</sup> that has not been explored prior to Aurion. The exploration license for the Launi East area was granted in December 2018.

The major regional shear structure, the Sirkka Shear Zone or its splay, is interpreted to traverse across the 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.

Prospecting and mapping have resulted in the discovery of multiple gold-bearing zones, including among others, the Christmas Deformation Zone, Midsommer, Bonanza, Father's Day, Mother's Day, Stublely, Lakijänkä and Hinge Zone prospects, in a 5.5 by 1.0 km area parallel to and within 1 km to the west of the Sirkka Shear Zone. Widespread fuchsite, tourmaline, sericite and iron-carbonate bedrock alteration along with abundant quartz veining is observed within silicified sandstone or intermediate volcanics. Visible gold is observed in quartz veins and mineralized host rocks. 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. All prospects are at an early stage of evaluation, and the majority of the Launi East area, particularly areas dominated by mafic and ultramafic rocks, have not yet been explored due to lack of surface exposure.

Approximately 2,300 samples have been collected from boulders, sub-crops and outcrops assaying up to 709 g/t Au with an average grade of 4.20 g/t Au. Other exploration activities have included trenching, geophysical surveys, till sampling and diamond core drilling.

A total of 58 holes for 8,445.6 m primarily utilizing a small capacity "scout" drill rig have been drilled with most holes located in a 1.0 by 1.5 km area in the northern portion of the property. The main drill targets have been the Hinge Zone, Christmas Deformation Zone, Midsommer and Bonanza. The majority of the drill holes have intersected zones of gold mineralization and identified several envelopes of near-surface gold mineralization.

Multiple gold bearing veins have been intersected in a >300 m wide by >1.0 km long corridor at the Christmas Deformation Zone. At the Hinge Zone, where drilling targeted blind geophysical anomalies, high-grade near-surface gold was intersected in a fault zone returning assays up to 30.70 g/t Au and 8.65 g/t Au and in a magnetic volcanogenic sediment unit returning an intercept of 3.05 g/t Au over 5.30 m. The Hinge Zone target has a strike length of over 1 km.

Channel sampling highlights from Launi East:

- 27.01 g/t Au over 1.77 m (LNT1904, Christmas Deformation Zone)
- 14.76 g/t Au over 2.95 m (LNT1904, Christmas Deformation Zone)
- 10.81 g/t Au over 3.11 m (LNT1904, Christmas Deformation Zone)
- 39.50 g/t Au over 0.56 m (BZT1901, Bonanza)
- 29.00 g/t Au over 0.44 m (BZT1901, Bonanza)
- 19.50 g/t Au over 0.77 m (BZT1901, Bonanza)

Drilling highlights from Launi East:

- 63.90 g/t Au over 0.37 m from 260.83 m (LN20014 Christmas Deformation zone)
- 5.50 g/t Au over 0.40 m from 78.50 m (LN20008 Christmas Deformation zone)
- 3.05 g/t Au over 5.30 m from 106.50 m (LN20050 Hinge Zone)
- 8.65 g/t Au over 0.55 m from 28.40 m (LN20042 Hinge Zone)

### **Exploration activities**

During the three months ended March 31, 2021, a total of 746 base of till samples were collected within the Launi East Property as part of a regional base of till sampling program. The sampling program is ongoing and targeting previously unexplored areas with the potential of the existence of mafic-ultramafic hosted gold mineralization such as Rupert Resources' Ikkari discovery. Mafic-ultramafic domains are typically covered by overburden and base of till sampling has been successfully deployed during the discovery process of most gold and base metal deposits in the Central Lapland Greenstone Belt. The majority of the extensive Launi East Property is covered by overburden and these areas have not been explored before. Sampling is planned to take place in several areas including the eastern part of the Launi East Property (Apr. 19, 2021 Press release). Obtained samples have been submitted for assay and results will be released in due course.

### **AUERMAA PROPERTY**

The Auermaa Property is located in Eastern Lapland. Aurion has been granted or applied for permits for an area of approximately 671 km<sup>2</sup> covering part of an Archean Belt. Historic indications include the Auermavaara gold prospect and Kuskoiva tungsten prospect. The property has not seen any modern exploration.

### **Exploration activities**

No activities were performed during the reporting period.

### **Finland Properties Subject to Partnership Agreements:**

#### **B2GOLD JOINT VENTURE, KUTUVUOMA-AHVENJARVI-SINERMÄ**

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 290 km<sup>2</sup> (currently ~268 km<sup>2</sup>) project area that includes the Kutuvuoma and Ahvenjarvi prospects. 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 was to 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.

The Company acquired the Kutuvuoma and Sila Properties from Dragon Mining Ltd ("Dragon"). 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 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 Areas of Interest. The NSR could be purchased at any time on or before the sixth anniversary of signing the Purchase Agreement with a single cash payment of €4,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of €2,000,000 in cash or equivalent in common shares of the Company for the defining of 1,000,000 ounces of gold material and €1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional 1,000,000 ounces of gold equivalent material within the projects and the defined Area of Interests.

### ***B2Gold JV Prospects***

The JV area is located along and adjacent to the major crustal scale Sirkka Shear Zone and covers approximately 40 km strike length of prospective geology. The JV area includes recent discoveries such as Sinermä and Kutuvuoma East and several historic gold prospects such as Kutuvuoma, Ahvenjärvi, Kettukuusikko, Hirvilavanmaa, Palovaara, Soretialehto, Soretiauvuoma Tuongankuusikko. The historic prospects have seen limited amount of exploration despite returning encouraging drill intercepts.

### ***Kutuvuoma Prospect***

The Kutuvuoma prospect 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. A small part of the deposit was test-mined in 1999.

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. Kutuvuoma is interpreted to be located along strike and within the same geologic sequence as Rupert Resources' Ikkari discovery. The distance between Kutuvuoma and Ikkari is 8 km.

Historic drilling highlights from Kutuvuoma include:

- 7.2 g/t Au over 19.40 m from 60.00 m
- 13.2 g/t Au over 5.00 m from 88.00 m
- 12.6 g/t Au over 7.00 m from 26.00 m

Exploration activities by the JV have included reconnaissance prospecting, geological mapping, trenching, geophysical surveys, base of till sampling, diamond core drilling and preliminary metallurgical testwork. High-grade gold has been intercepted in drilling over a strike extent of approximately 1,080 m; mineralization remains open in all directions.

Drilling highlights from Kutuvuoma by JV:

- 8.59 g/t Au over 2.15 m from 21.4 m and 11.37 g/t over 13.3 m from 71.85 m (Drill hole KU16003)
- 1.76 g/t Au over 8.85 m from 38.65 m (Drill hole KU16001)
- 1.67 g/t Au over 5.05 m from 42.55 m (Drill hole KU16002)
- 6.74 g/t Au over 5.60 m from 121.20 m (KU20006), 200 m east of Outokumpu historical drilling
- 12.28 g/t Au over 2.75 m from 28.15 m (KU20008), 270 m west of Outokumpu historical drilling

### ***Kutuvuoma East Prospect***

The Kutuvuoma East prospect is located along strike and in between Rupert Resources' Ikkari discovery (3-4.5 km to east) and the Kutuvuoma prospect (3.5-5 km to west) and within the metavolcanic and metasedimentary rocks of the Savukoski group near the contact with the sedimentary rocks of the Kumpu group.

The initial, widely spaced, five-hole (1,259.1 m) diamond drilling program was completed in 2020 and tested selected geochemical (gold in base of till) and geophysical targets over an area extending 1,300 m in strike length. All drill holes intersected zones with elevated gold (>0.1 g/t Au) with mineralized zones encountered in multiple lithologies including ultramafic and mafic volcanic rocks, siltstones, graphitic sediments and in contacts between volcanic rocks and felsic/porphyritic dykes.

Drilling highlight from Kutuvuoma East:

- 14.77 g/t Au over 1.60 m from 42.20 m (KUE20003)
- 1.63 g/t Au over 2.80 m from 50.90 m (KUE20001)

### ***Sinermä Prospect***

The Sinermä area is located in the western part of the JV property, approximately 22 km northwest of the Kutuvuoma prospect and 23 km SSW of Agnico-Eagle's Kittilä Mine. The gold mineralized zones in the Sinermä area were discovered in 2020 via base of till sampling and geophysical survey programs, which were followed by excavation of five trenches and drilling of four diamond drill holes (total 647.7 m).

Highlights from Sinermä:

- Channel samples: 1.07 g/t Au over 42.40 m and 1.30 g/t Au over 20.80 m
- Drilling intercepts: 0.54 g/t Au over 40.20 m, 6.80 g/t Au over 0.75 m and 4.11 g/t Au over 1.40 m

### ***Kiekerömaa Prospect***

The Kiekerömaa Property covers 8.4 km<sup>2</sup> ha and is located approximately 25 km west from Aamurusko and 7 km south-southwest from Kutuvuoma. Kiekerömaa was purchased along with the Kaasselkä prospect from Tertiary Minerals Plc ("Tertiary") and is subject to the conditions described for the Kaasselkä prospect.

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 extends over a strike length of 300 m and remains open in all directions.

Minimal exploration activities occurred on Kiekerömaa in 2018-2020 and the Company wrote down the full carrying value of Kiekerömaa as of December 31, 2019 due to recent and projected inactivity.

Following the completion of an agreement with B2Gold, the Kiekerömaa Property was included in the B2Gold JV.

### **Exploration activities**

During the three months ended March 31, 2021, a drone magnetic geophysical survey was completed in the eastern part of the Property adjacent to the Ikkari discovery by Rupert Resources.

The JV is planning to increase the level of exploration activities in 2021 with an initial budget of CDN\$6 million. The preliminary plans include geophysical surveys, trenching, base of till sampling and at least 5,000 m of diamond drilling with a focus on the Kutuvuoma-Ikkari area. Rupert Resources' Ikkari discovery is located 100-300 m from the JV property boundary with the prospective geological sequence interpreted to extend to the JV area.

## **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 was to spend US\$5 million over five years to earn a 70% interest in the project. Kinross 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.

On May 3, 2021 the Company received formal notice from Kinross that, pursuant to Section 8.1 (a) of the Option agreement dated August 17, 2018, the Option agreement with the Company has been terminated effective April 1, 2021. The Company will regain full ownership of the property and Kinross will provide the Company all data generated during the exploration activities. The Company will review the project data and consider the next steps during the coming months.

### ***OUTA***

The Outa project covers approximately 90 km<sup>2</sup> 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 clastic sediments and Kittilä Group mafic volcanics within the Outa project area has never been explored.

Exploration activities have included prospecting, mapping, till sampling, geophysical surveys and diamond core drilling. The total exploration expenditure by the JV has been approximately US\$ 3.67 million since 2018.

## **STRATEGIC RESOURCES OPTION, SILA**

### **SILA (Silasselkä)**

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 Silasselkä 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.

Aurion acquired the Sila Property subject to a binding Letter of Intent with Dragon Mining Limited in March 2014, as previously detailed in the section discussing the B2Gold JV.

Sila hosts several zones containing vanadium-rich magnetite located along a 16 km long magnetic anomaly. Approximately 7,400 metres of historical drilling over 72 holes has been completed on the property. The mineralized zones range in thickness from a few centimetres to 10 m and dip 45 degrees to the east. The vanadium-rich zones remain untested at depth and along strike of the known deposits.

The Sila area 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).

Prior to the property transfer to Strategic in 2019, Aurion 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.

#### **Exploration activities**

No activities were reported by Strategic during the reporting period.

### **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. The Company has initiated the process to relinquish the two mineral concessions.

#### **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**

	2020	2019	2018
	\$	\$	\$
Operating expenses	4,958,089	7,575,324	3,318,956
Other income (expenses)	2,080,718	2,214,832	537,671
Net loss	2,877,371	5,360,492	2,781,285
Loss per share	0.03	0.07	0.04
Total assets	42,185,679	39,684,028	26,087,108
Long term liabilities	817,662	558,449	22,477

**Results of Operations**

	For the three months ended March 31,	
	2021	2020
	\$	\$
EXPENSES		
General and Administrative	231,339	504,501
Wages and benefits	254,040	326,029
Consulting fees	4,500	4,516
Professional fees	41,313	47,336
Share based payments	(105,676)	581,134
Write-down of exploration and evaluation assets	-	3,370
Accounting	9,682	1,035
Bad debt expense	-	-
Depreciation	28,943	31,365
Amortization of right-of-use assets	8,656	8,656
Interest and bank charges	1,661	1,965
Interest on lease liabilities	1,387	2,286
Property investigation costs	-	-
Loss on disposal of assets	-	-
	<b>(475,846)</b>	<b>(1,512,193)</b>
OTHER INCOME (EXPENSES)		
Unrealized (gain) loss on marketable securities	(1,451,650)	(745,000)
Foreign exchange (gain) loss	(37,452)	(26,192)
Gain on property transactions	-	-
Share of gain (loss) from associate	(88,608)	-
Interest and other Income	25,478	61,461
	<b>(1,552,232)</b>	<b>(709,731)</b>
Net Loss for the Period	<b>(2,028,078)</b>	<b>(2,221,924)</b>

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020:

- Write-down of exploration and evaluation assets is lower by \$3,370
- Wages and benefits are lower by \$71,989
- General and administrative costs are lower by \$273,162
- Consulting fees are lower by \$16
- Professional fees are lower by \$6,023
- Accounting fees are higher by \$8,647
- Share-based payments expense is higher by \$686,810
- Total expenses are lower by \$1,036,347
- Other income (expenses) is lower by \$193,846

Total expenses for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 are lower mainly due to decreased spending as a direct result of the global COVID-19 pandemic which has restricted employee travel and full-scale operations. Consulting and professional fees are lower for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 due to a decrease in general operations as a result of the pandemic. General, administrative and wages expenses for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 are lower primarily as a result of the global pandemic which forced a reduction in employee travel and contributed to lower general operating costs incurred.

### **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>					
Q1 - March 31, 2021	-	475,846	1,552,232	(2,028,078)	(0.020)
Q4 - December 31, 2020	451,691	773,143	902,520	(2,127,354)	(0.020)
Q3 - September 30, 2020	2,515	930,042	(1,229,247)	296,690	0.004
Q2 - June 30, 2020	-	1,288,505	(2,463,722)	1,175,217	0.002
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

### **Financial Condition / Liquidity / Capital Resources**

#### **2021**

On January 14, 2021, the Company issued 1,800,000 common shares pursuant to the exercise of stock options for gross proceeds of \$180,000 (\$0.10 per share).

On February 23, 2021, the Company issued a total of 13,425,033 common shares pursuant to a private placement at a price of \$0.85 for gross proceeds of \$11,411,278.

On March 17, 2021, the Company granted 1,965,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.95 per share until March 17, 2026.

On March 31, 2021, the Company issued 530,488 DSUs to certain officers under its DSU plan at a market value of \$0.82 per DSU. These DSUs will vest one third on each of March 31, 2022, March 31, 2023, and March 31, 2024.

## 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 June 30, 2020, the Company issued 78,125 DSUs to certain officers under its DSU plan at a market value of \$1.28 per DSU. These DSUs will vest one third on each of June 30, 2021, June 30, 2022, and June 30, 2023.

On July 29, 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 29, 2021, July 29, 2022, and July 29, 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.

On December 31, 2020, the Company granted 150,000 DSUs to certain officers under its DSU Plan at a market value of \$1.10 per DSU. These DSUs will vest one third on each of December 31, 2021, December 31, 2022, and December 31, 2023.

## **Outstanding Share Data**

As at May 26, 2021 the following were outstanding:

98,701,804 common shares  
1,030,185 share purchase warrants  
7,910,000 stock options  
1,365,323 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:

	Three months ended	
	March 31,	
	2021	2020
	\$	\$
Michael Basha, (former President)	(1,005)	(76,689)
Matti Talikka, CEO	96,041	5,000
Mark Serdan, CFO	20,578	(6,535)
Mark Santarossa, VP Corporate Development	25,494	151,386
Other Directors	6,483	(188,832)
	147,591	(115,670)
Amounts expensed as:		
Salary and other short-term benefits for the former President	50,000	50,000
Salary and other short-term benefits for the CEO	50,000	-
Salary and other short-term benefits for the CFO	37,500	37,500
Salary and other short-term benefits, VP Corp Dev	24,624	31,250
Directors' Fees	15,000	20,000
Share-based compensation	(29,533)	(254,420)
	147,591	(115,670)

On January 13, 2021, the Company approved a short-term loan to the CEO of the Company. The loan was issued to cover payroll taxes due upon exercise of stock options. The principal amount of the loan is \$38,720 which will accrue interest at a rate of 1% per annum and is to be repaid on or before January 13, 2022. For the three months ended March 31, 2021, the Company recorded interest receivable of \$82, reflected as interest income in the comprehensive statement of loss.

The following table summarizes information about loans receivable at March 31, 2021:

	\$
Loan to related party	38,720
Interest receivable	82
Balance, loan and interest receivable	38,802

On March 30, 2021, the Company announced the resignation of Michael Basha as President and director of the Company, effective March 31, 2021. Mr. Basha will continue as a consultant and technical advisor to the Company.

## Mineral Properties

As at March 31, 2021

Geographical Area	Balance, Beginning of Period	Additions	Receipts From Partners	Properties Written Down	Balance, End of Period
	\$		\$	\$	\$
Finland	29,812,382	1,280,997	-	-	31,093,379
Sweden	-	-	-	-	-
United States	21,068	-	-	-	21,068
Mexico	-	-	-	-	-
	<b>29,833,450</b>	<b>1,280,997</b>	<b>-</b>	<b>-</b>	<b>31,114,447</b>

As at December 31, 2020

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
	\$		\$	\$	\$
Finland	21,411,308	8,933,395	(528,076)	(4,245)	29,812,382
Sweden	447,446	-	-	(447,446)	-
United States	19,475	1,593	-	-	21,068
Mexico	-	5,885	-	(5,885)	-
	<b>21,878,229</b>	<b>8,940,873</b>	<b>(528,076)</b>	<b>(457,576)</b>	<b>29,833,450</b>

	March 31, 2021				March 31, 2020			
	total	Finland	Sweden	USA/Mexico	total	Finland	Sweden	USA/Mexico
	\$	\$	\$	\$	\$	\$	\$	\$
Aquisitions	-	-	-	-	-	-	-	-
Land Management	487,690	487,690	-	-	443,924	440,554	-	3,370
Labour - Operations	270,486	270,486	-	-	435,612	435,612	-	-
Consulting Fees	18,914	18,914	-	-	409,549	409,549	-	-
Office Expenses	1,547	1,547	-	-	4,150	4,150	-	-
Drilling, Surveying, Assays	484,057	484,057	-	-	1,504,288	1,504,288	-	-
Travel, Accomodations	16,625	16,625	-	-	30,957	30,957	-	-
Rentals and Supplies	1,678	1,678	-	-	39,515	39,515	-	-
Total expenditures	1,280,997	1,280,997	-	-	2,867,995	2,864,625	-	3,370
Financed by Partners	-	-	-	-	-	-	-	-
Total Additions	1,280,997	1,280,997	-	-	2,867,995	2,864,625	-	3,370

## Financial Risk Factors

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

### *Credit Risk*

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

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at March 31, 2021, the Company had cash of \$10,746,696 to settle current liabilities of \$722,013. 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's current policy is to invest excess cash in either interest bearing deposit accounts or Guaranteed Income Certificates ("GICs") issued by its financial institutions. Management believes it has minimal exposure to interest rate risk.

As at March 31, 2021, the Company held no short term investments (December 31, 2020 – nil). As at March 31, 2021, the carrying value of the Company's short-term investments was \$nil (December 31, 2020 - \$nil) including \$nil of accrued interest (December 31, 2020 – \$nil).

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

The following table shows the net exposures in US dollars, Swedish Kroner and Euro at March 31, 2021.

	<b>US\$</b>	<b>Euro</b>	<b>SEK</b>
Cash	<b>26,356</b>	<b>932,747</b>	<b>80,565</b>
Receivables	-	<b>88,724</b>	<b>19,763</b>
Trade payables	<b>(1,500)</b>	<b>(261,741)</b>	<b>(34,531)</b>
Net currency exposure	<b>24,856</b>	<b>759,730</b>	<b>65,796</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>2,486</b>	<b>75,973</b>	<b>6,581</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 March 31, 2021 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 \$432,851 (December 31, 2020 - \$577,750).

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 three months ended March 31, 2021, are available through [www.sedar.com](http://www.sedar.com).