AURELIUS MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

(presented in Canadian dollars unless otherwise noted)

NOTICE TO READER OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Aurelius Minerals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

STATEMENTS OF FINANCIAL POSITION

As at (unaudited, expressed in Canadian dollars)	Note	September 30 2019 $	March 31 2019 $
ASSETS			
Current			
Cash and cash equivalents	4	**253,086**	1,123,910
Receivables	5,10	**54,714**	84,920
Prepaid expenses and deposits		**18,270**	28,472
		326,070	1,237,302
Property and equipment	6	**195,890**	11,986
Mineral properties	7	**506,185**	486,185
Total Assets		**1,028,145**	1,735,473
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8,10	**287,358**	392,521
Current portion of lease liability	9	**116,530**	-
Flow-through premium liability	11	**-**	147,000
		403,888	539,521
Lease liability		**73,532**	-
Total Liabilities		**477,420**	539,521
Shareholders' equity			
Share capital	11	**9,900,093**	9,809,031
Subscriptions received in advance	11	**-**	25,000
Warrants	11	**242,500**	201,250
Reserves	11	**544,129**	544,129
Deficit		**(10,135,997)**	(9,383,458)
Total Shareholders’ Equity		**550,725**	1,195,952
Total Liabilities and Shareholders’ Equity		**1,028,145**	1,735,473

Nature and continuance of operations (Note 1) and Subsequent events (Note 16).

Approved and authorized on behalf of the Board of Directors:

“Randy Turner”	*“Mark NJ Ashcroft”*
Randy Turner, Chairman	Mark NJ Ashcroft, Director

The accompanying notes are an integral part of these condensed interim financial statements.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(unaudited, in Canadian dollars)	Note	**Three Month Period Ended September 30 2019 $**	Three Month Period Ended September 30 2018 $	**Six Month Period Ended September 30 2019 $**	Six Month Period Ended September 30 2018 $
EXPENSES					
Exploration	7	**360,875**	821,412	**538,420**	936,988
Business development		**11,142**	353,455	**11,142**	418,052
Salaries and management fees	10	**98,618**	86,028	**198,675**	186,495
Director fees		**27,500**	27,500	**55,000**	55,000
Investor relations		**4,146**	47,579	**11,428**	93,201
Regulatory and transfer agent fees		**3,695**	3,838	**4,602**	5,051
Legal, audit and accounting		**5,558**	10,218	**5,719**	15,239
Office and miscellaneous	10	**8,072**	5,997	**17,823**	14,227
Rent recovery	10	**(15,826)**	-	**(28,876)**	-
Travel		**10,534**	8,245	**19,287**	17,963
Depreciation	6	**30,106**	-	**60,213**	-
Interest expense on lease liability	9	**5,209**	-	**11,091**	-
Loss before other income (expenses)		**(549,629)**	(1,364,272)	**(904,524)**	(1,742,216)
OTHER INCOME (EXPENSES)					
Interest income		**2,968**	5,884	**4,985**	12,284
Recognition of flow-through premium liability	11	**93,830**	91,526	**147,000**	103,443
Part XII.6 tax expense	11	**-**	(9,893)	**-**	(9,893)
Foreign currency loss		**-**	(839)	**-**	(836)
Total other income (expenses)		**96,798**	86,678	**151,985**	86,678
Loss and comprehensive loss for the period		**(452,831)**	(1,277,594)	**(752,539)**	(1,637,218)
Basic and diluted loss per common share		**(0.00)**	(0.01)	**(0.01)**	(0.02)
Weighted average number of common shares outstanding		**123,312,562**	88,464,518	**123,133,600**	70,084,238

The accompanying notes are an integral part of these condensed interim financial statements.

STATEMENTS OF CASH FLOWS

For the six month periods ended September 30 (unaudited, in Canadian dollars)	2019 $	2018 $
Cash flows from operating activities		
Income (loss) for the period	**(752,539)**	(1,637,218)
Items not involving cash:		
Recognition of flow-through premium liability	**(147,000)**	(103,443)
Depreciation	**60,213**	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**31,893**	(24,955)
(Increase) decrease in accrued interest receivable	**(1,687)**	(3,059)
(Increase) decrease in prepaid expenses	**10,202**	(11,491)
Increase (decrease) in accounts payable and accrued liabilities	**(105,163)**	595,018
Net cash provided by (used in) operating activities	**(904,081)**	(1,185,148)
Cash flows from financing activities		
Issuance of capital stock for cash	**137,500**	-
Share issuance costs	**(5,188)**	-
Share subscriptions received in advance	**(25,000)**	-
Repayment of lease liability	**(54,055)**	-
Net cash provided by (used in) financing activities	**53,257**	-
Cash flows from investing activities		
Property and equipment acquisitions	**-**	(13,611)
Mineral property acquisitions	**(20,000)**	(20,000)
Net cash provided by (used in) investing activities	**(20,000)**	(33,611)
Change in cash during the period	**(870,824)**	(1,218,759)
Cash, beginning of the period	**1,123,910**	2,442,365
Cash, end of the period	**253,086**	1,223,606

Supplemental disclosure with respect to cash flows (Note 12).

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited, expressed in Canadian dollars)	Shares #	Share Capital $	Share Subscriptions Received in Advance $	Warrants $	Reserves $	Deficit $	Total $
Balance, March 31, 2018	**88,652,562**	**8,845,438**	**-**	**-**	**438,782**	**(6,718,797)**	**2,565,423**
Loss for the period	-	-	-	-	-	(1,637,218)	(1,637,218)
Balance, September 30, 2018	**88,652,562**	**8,845,438**	**-**	**-**	**438,782**	**(8,356,015)**	**928,205**
Issued for mineral properties (Note 11b)	1,500,000	45,000	-	-	-	-	45,000
Issued for private placements (Note 11b)	30,410,000	1,319,250	-	-	-	-	1,319,250
Share subscriptions received in advance	-	-	25,000	-	-	-	25,000
Warrants issued for private placements	-	-	-	201,250	-	-	201,250
Share issuance costs (Note 11b)	-	(62,441)	-	-	-	-	(62,441)
Broker warrants (Note 11b, 11e)	-	(14,016)	-	-	14,016	-	-
Flow-through premium liability (Note 11b)	-	(324,200)	-	-	-	-	(324,200)
Share-based payment (Note 11d)	-	-	-	-	104,635	-	104,635
Reserves transferred on expired options (Note 11d)	-	-	-	-	(13,304)	13,304	-
Loss for the period	-	-	-	-	-	(1,040,747)	(1,040,747)
Balance, March 31, 2019	**120,562,562**	**9,809,031**	**25,000**	**201,250**	**544,129**	**(9,383,458)**	**1,195,952**
Issued for private placements (Note 11b)	2,750,000	96,250	-	-	-	-	96,250
Share subscriptions received in advance	-	-	(25,000)	-	-	-	(25,000)
Warrants issued for private placements	-	-	-	41,250	-	-	41,250
Share issuance costs (Note 11b)	-	(5,188)	-	-	-	-	(5,188)
Loss for the period	-	-	-	-	-	(752,539)	(752,539)
Balance, September 30, 2019	**123,312,562**	**9,900,093**	**-**	**242,500**	**544,129**	**(10,135,997)**	**550,725**

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Aurelius Minerals Inc. ("Aurelius" or the "Company") was incorporated on April 5, 2007 under the Business Corporations Act, British Columbia and is in the exploration stage with respect to mineral properties. Aurelius holds its Mikwam and Lipton gold exploration properties within the northern Abitibi Gold Belt in Ontario, Canada. The Company's registered and records office is 2500 – 700 West Georgia Street, Vancouver, BC, Canada, V7Y 1B3. The Company also has an office in Toronto at 1900 – 110 Yonge Street, Toronto, ON, Canada, M5C 1T4. The shares of the Company are traded on the TSX Venture Exchange ("TSX-V") under the symbol AUL.

The Company is subject to risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing to meet minimum capital required to successfully complete its commitments and continue as a going concern.

For the six month period ended September 30, 2019, the Company reported a loss of $752,539 (2018 – $1,637,218), a deficit of $10,135,997 (March 31, 2019 – $9,383,458) and working capital of $(77,818) (March 31, 2019 – $844,781) at that date. The Company's ability to meet its obligations and maintain its exploration activities is contingent upon successful completion of additional financing arrangements. On October 30, 2019, the Company raised $150,000 (Note 16a) and on November 18, 2019, announced it had entered into a non-binding letter of intent to acquire the Dufferin gold properties and complete related $1,600,000 financings with Sprott Resource Lending (Note 16b).

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with accounting policies disclosed in the audited financial statements for the fiscal year ended March 31, 2019, and should be read in conjunction with the most recently issued audited financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Financial Statements for the fiscal year ended March 31, 2019 have been consistently applied in the preparation of the Company's interim financial statements.

The Company's Board of Directors approved these financial statements on November 27, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements were prepared using the same accounting policies and methods as those used in the Company's audited financial statements for the year ended March 31, 2019, except for the adoption of IFRS 16 Leases ("IFRS 16").

Leases

On April 1, 2019, the Company adopted IFRS 16 which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases of low-value assets and certain leases with variable lease payments.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods.

New accounting policy for leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are allocated between the lease liability and interest expense. Interest expense is charged to the statement of loss and comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

Impact of adoption of IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. On adoption of IFRS 16, the Company recognized a lease liability for an office lease previously classified as an operating lease under IAS 17. The liability was measured at the present value of the remaining lease payments, discounted using the Company's applicable incremental borrowing rate as of January 1, 2019 of 10% and assumes Aurelius will not renew the lease upon termination.

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application relating to an office lease, and lease liabilities recognized in the statement of financial position at the date of initial application. On transition, the associated right-of-use asset was measured at $244,117 being the amount equal to the lease liability.

	$
Operating lease commitment as at March 31, 2019	271,440
Discounted using the incremental borrowing rate as of April 1, 2019	(27,323)
Lease liability recognized at April 1, 2019	**244,117**
Current portion	140,356
Non-current portion	103,761

During the six month period ended September 30, 2019, the Company recorded depreciation expense of $58,588 and interest expense of $11,091.

The Company sublets a portion of its Toronto office. This sublease can be terminated without permission with no significant penalty and does not meet the definition of an enforceable contract under IFRS 16 (Note 9).

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred tax amounts.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that mineral costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geological and metallurgical information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plan at each reporting period date to determine whether any indication of impairment exists.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

4. CASH AND CASH EQUIVALENTS

	September 30 2019 $	March 31 2019 $
Cash	**63,086**	1,123,910
GIC (fully redeemable)	**190,000**	-
	253,086	1,123,910

5. RECEIVABLES

	September 30 2019 $	March 31 2019 $
Input sales tax recoverable	**53,027**	74,199
Interest receivable	**1,687**	-
Other receivables (Note 10)	**-**	10,721
	54,714	84,920

(unaudited, expressed in Canadian dollars, unless otherwise noted)

6. PROPERTY AND EQUIPMENT

	Right of use asset $	Furniture and equipment $	Computer equipment $	Total $
Balance – March 31, 2018	**-**	**-**	**-**	**-**
Additions	-	11,850	1,761	**13,611**
Depreciation	-	(1,185)	(440)	**(1,625)**
Balance – March 31, 2019	**-**	**10,665**	**1,321**	**11,986**
Additions	244,117	-	-	**244,117**
Depreciation	(58,588)	(1,185)	(440)	**(60,213)**
Balance – September 30, 2019	**185,529**	**9,480**	**881**	**195,890**
At September 30, 2019				
Cost	244,117	11,850	1,761	**257,728**
Accumulated depreciation	(58,588)	(2,370)	(880)	**(61,838)**
Net book value	**185,529**	**9,480**	**881**	**195,890**

7. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties, except as described below are properly registered and in good standing.

The Company capitalizes mineral acquisition costs only, which include the cash consideration, earn-in or option agreement payments and the fair value of common shares issued for mineral properties. The Company holds interests in two mineral properties located in Ontario, Canada, the capitalized acquisition costs of which are as follows:

	September 30, 2019	March 31, 2019
Mikwam Property	$ **257,500**	$ 257,500
The Company acquired a 100% interest in Mikwam (subject to certain royalty interests and encumbrances) for aggregate cash payments of $25,000 and 4,000,000 shares with aggregate fair value of $232,500 to ALX Uranium Corp. ("ALX") over a period of two years. In addition, the Company will pay ALX a 0.5% net smelter returns royalty ("NSR Royalty"). The Company has the right, at any time, to acquire the NSR Royalty from ALX in consideration of a cash payment of $1,000,000.		
Lipton Property	$ **248,685**	$ 228,685
To acquire a 100% interest in the Lipton Property, subject to 2% NSR, the Company must pay $1,000,000 over a ten-year period and issue 500,000 common shares (500,000 issued with an aggregate value of $72,500). The Company has paid $70,000 (initial payment of $10,000 was made August 22, 2016 and $20,000 on each one-year anniversary) and must pay the remaining balance of $30,000 by June 2020. The remaining $900,000 is payable in annual cash payments between June 2021 and June 2026. The Company has the option to buy-back one-half of the NSR for $2,500,000. The Company incurred costs related to staking additional claims in the amount of $106,185.		
Total mineral properties	**$ 506,185**	$ 486,185

(unaudited, expressed in Canadian dollars, unless otherwise noted)

7. MINERAL PROPERTIES *(continued)*

During the six month periods ended September 30, 2019 and 2018, the Company incurred exploration expenditures, which are expensed to the statement of loss and comprehensive loss, as follows:

	Mikwam $	Lipton $	Total $
Land and claim management	3,000	3,000	6,000
Geology and Geophysics	110,500	7,200	117,700
Field sampling and analysis	51,621	-	51,621
Drilling	761,667	-	761,667
Period ended September 30, 2018	**926,788**	**10,200**	**936,988**
Land and claim management	1,725	1,725	3,450
Geology and Geophysics	466,527	3,408	469,935
Field sampling and analysis	42,566	-	42,566
Drilling	22,469	-	22,469
Period ended September 30, 2019	**533,287**	**5,133**	**538,420**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2019 $	March 31 2019 $
Trade payables	**90,197**	315,286
Accrued liabilities	**197,161**	77,235
	287,358	392,521

9. LEASE LIABILITY

	$
Current portion of lease liability	
Balance – March 31, 2019	**-**
Current portion of lease liability recognized as of April 1, 2019	**140,356**
Transfer from long-term lease liability	30,229
Lease payments during the period	(65,146)
Interest expense on lease liability	11,091
Balance – September 30, 2019	**116,530**
Non-current lease liability – March 31, 2019	**103,761**
Transfer to current lease liability	(30,229)
Balance – September 30, 2019	**73,532**

As at September 30, 2019, the Company is required to pay $130,291 in undiscounted lease payments within the next twelve months and $76,003 over the remaining term of the lease for a total of $206,294.

During the three and six month period ended September 30, 2019, the Company recorded a rent recovery of $15,826 and $28,876, respectively, for receipts related to the sub lease arrangement not included in lease liabilities, in the statement of loss and comprehensive loss.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

10. RELATED PARTY TRANSACTIONS

Key Management Personnel

In accordance with *IAS 24, Related Party Disclosures*, key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

Compensation paid or payable to key management personnel for services rendered are as follows:

	Three month period ended September 30 2019 $	Three month period ended September 30 2018 $	**Six month period ended September 30 2019 $**	Six month period ended September 30 2018 $
Salaries and fees	**172,750**	151,000	**345,500**	302,000
Short-term employment benefits	**1,500**	1,500	**3,000**	3,000
	174,250	152,500	**348,500**	305,000

(1) A portion of salaries for key management has been recorded in exploration expenses.

The Company has related parties which consist of companies with directors and officers in common. Effective February 1, 2019, the Company entered into an agreement, to sublease a portion of its Toronto office space, with a corporation that is a related party. The related corporation was also invoiced for reimbursement of direct third-party purchases of certain office administration services. As at March 31, 2019, there was $10,721 due from Maritime Resources Corp. in respect of rent and office administration, included in receivables which was collected during the three months ended June 30, 2019. During the six month period ended September 30, 2018, the Company incurred office expenses of $1,744, invoiced from a company with a common director during that year.

	Three month period ended September 30 2019 $	Three month period ended September 30 2018 $	**Six month period ended September 30 2019 $**	Six month period ended September 30 2018 $
Rent expense (recovery)	**(15,826)**	-	**(28,876)**	-
Office and other expense (recovery)	**(1,133)**	397	**(2,240)**	1,744
	(16,959)	397	**(31,116)**	1,744

Included in accounts payable and accrued liabilities at September 30, 2019 is $85,055 (March 31, 2019 – $39,335) due to the CEO for expenses of $2,555 (March 31, 2019 – $11,835 to the CEO and VP Exploration for consulting fees and expenses) and $82,500 (March 31, 2019 – $27,500) for directors' fees.

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

11. SHARE CAPITAL AND RESERVES *(continued)*

b) Issued share capital

During the six month period ended September 30, 2019, the Company issued:

- 750,000 Common Share Units on April 1, 2019 for gross proceeds of $37,500 and 2,000,000 Common Share Units on April 16, 2019 for gross proceeds of $100,000, following the closing of two additional tranches of the March 2019 Offering, of which $25,000 had been received in advance at March 31, 2019. $41,250 was allocated to the warrant component of the additional Common Share Units issued in April 2019. In total, the Company issued 9,800,000 flow-through shares at a price of $0.05 per flow-through share and 9,500,000 Common Share Units at a price of $0.05 per Common Share Unit for aggregate gross proceeds for the March 2019 Offering of $965,000. Total aggregate transactions costs were $28,928, consisting of cash costs of $19,502, which includes an arm's length finder aggregate cash commission totalling $7,000 and regulatory and legal fees relating to the Offering, and non-cash costs of $4,238 relating to the fair value attributed to 189,000 non-transferable warrants issued as additional compensation to the brokers.

During the year ended March 31, 2019, the Company issued:

- 9,800,000 flow-through shares ("Flow-Through Shares") at a price of $0.05 per Flow-Through Share and 6,750,000 common share units ("Common Share Units") at a price of $0.05 per Common Share Unit for total gross proceeds of $827,500 (collectively the "March 2019 Offering"), as part of a non-brokered private placement on March 29, 2019. Each Common Share Unit consisted of one common share of the Company (a "Common Share") and one common share warrant ("Common Share Warrant"), with each warrant entitling the holder thereof to acquire one Common Share at a price of $0.06 per Common Share for a period of two years following the closing of the March 2019 Offering. The Company paid a cash commission in the aggregate of $7,000 in cash and 189,000 broker warrants in connection with certain subscriptions. Each broker warrant entitles the holder to acquire an additional common share at a price of $0.06 per share for a period of two years following the closing date. $101,250 was allocated to the warrant component of the Common Share Units.

The subscription agreement for the Flow-Through Shares requires Aurelius to incur $490,000 of qualifying CEE and renounce the CEE to the Flow-Through Shares shareholders with an effective date of December 31, 2019. At the time of issuance, the excess price per unit of the Flow-Through Shares over the fair value price per share of the non flow-through shares resulted in a $0.015 per share premium, and the Company recorded a flow-through premium liability of $147,000 and reduced share capital by the same amount. Pursuant to incurring eligible flow-through expenditures during the six months ended September 30, 2019, the flow-through premium liability was reduced to $nil.

Transaction costs relating to the March 2019 Offering amounted to $23,740, consisting of cash costs of $19,502, which includes an arm's length finder aggregate cash commission totalling $7,000, and non-cash costs of $4,238 relating to the fair value attributed to 189,000 non-transferable warrants issued as additional compensation to the brokers, as well as regulatory and legal fees relating to the offering. The fair value attributed to the broker warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 1.55%, expected life of two years, and volatility rate of 151.71%.

8,860,000 flow-through shares ("2018 Flow-Through Shares") at a price of $0.05 per 2018 Flow-Through Share and 5,000,000 common share units ("2018 Common Share Units") at a price of $0.05 per 2018 Common Share Unit for total gross proceeds of $693,000 (collectively the "2018 Offering"), as part of a non-brokered private placement on December 27, 2018. Each Common Share Unit consisted of one common share of the Company

11. SHARE CAPITAL AND RESERVES *(continued)*

(a "2018 Common Share") and one common share warrant ("2018 Common Share Warrant"), with each warrant entitling the holder thereof to acquire one 2018 Common Share at a price of $0.06 per 2018 Common Share for a period of two years following the closing of the 2018 Offering. The Company paid a cash commission of 7% and issued 7% broker warrants in the aggregate of $22,260 and 445,200 broker warrants in connection with certain subscriptions. Each broker warrant entitles the holder to acquire an additional common share at a price of $0.06 per share for a period of two years following the closing date. $100,000 was allocated to the warrant component of the 2018 Common Share Units.

The subscription agreement for the 2018 Flow-Through Shares required Aurelius to incur $443,000 of qualifying CEE and renounce the CEE to the 2018 Flow-Through Shares shareholders with an effective date of December 31, 2018. At the time of issuance, the excess price per unit of the 2018 Flow-Through Shares over the fair value price per share of the non flow-through shares resulted in a $0.02 per share premium. The premium resulted in the recording of a flow-through premium liability of $177,200 and reduced share capital by the same amount. The Company incurred the total $443,000 of qualifying CEE by March 31, 2019, and accordingly, the related flow-through premium liability was reduced to $nil. The Company also accrued a Part XII.6 tax liability of $439, calculated at the legislated interest rate and accrued on the unexpended amounts relating to qualifying flow-through expenditures incurred in the calendar year following the year of renunciation.

Transaction costs relating to the 2018 Offering amounted to $52,717, consisting of cash costs of $42,939, which includes an arm's length finder aggregate cash commission totalling $22,260, and non-cash costs of $9,778 relating to the fair value attributed to 445,200 non-transferable warrants issued as additional compensation to the brokers, as well as regulatory and legal fees relating to the offering. The fair value attributed to the broker warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 1.90%, expected life of two years, and volatility rate of 148.17%.

- 1,500,000 common shares with an aggregate value of $45,000 pursuant to the Mikwam Option (Note 7).

The Company incurred the total $1,537,243 of qualifying CEE by December 31, 2018, and accordingly, the 2017 Offering flow-through premium liability was reduced to $nil. The Company paid a Part XII.6 tax liability of $9,923, calculated at the legislated interest rate and accrued on the unexpended amounts relating to qualifying flow-through expenditures incurred in the calendar year following the year of renunciation.

c) Stock options

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and/or consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. Options can be granted for a maximum term of ten years and vest immediately upon grant.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL AND RESERVES *(continued)*

As at September 30, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,251,600	$ 0.065	June 24, 2021
2,700,000	$ 0.120	July 5, 2022
715,200	$ 0.080	March 5, 2023
4,025,000	$ 0.060	January 23, 2024
8,691,800		

Stock option transactions are summarized as follows:

	September 30, 2019		March 31, 2019	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of year	**8,691,800**	**0.08**	4,908,800	0.10
Granted	-	-	4,025,000	0.06
Expired/cancelled	-	-	(242,000)	0.11
Balance, end of year	**8,691,800**	**0.08**	8,691,800	0.08
Options exercisable, end of period	**8,691,800**	**0.08**	8,691,800	0.08

d) Options – Share-based compensation

During the year ended March 31, 2019, the Company granted 4,025,000 stock options with a fair value of $104,635, nil options were exercised and 242,000 options expired which resulted the reversal of share-based payment reserve in contributed surplus against the deficit of $13,304. The weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the year ended March 31, 2019 were risk-free interest rate of 1.90%; expected life of options of 5 years and annualized volatility of 147.04%.

e) Warrants

As at September 30, 2019, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
13,000,000	$0.10	July 19, 2020 [1]
5,445,200	$0.06	December 27, 2020
6,939,000	$0.06	March 29, 2021
750,000	$0.06	April 1, 2021
2,000,000	$0.06	April 16, 2021
37,280,478	$0.16	December 21, 2022
2,982,438[2]	$0.08	December 21, 2022
68,397,116		

[1] *Expiry date was extended from July 19, 2018 to July 19, 2020.*
[2] *Each agent warrant is exercisable to acquire one December Unit at a price of $0.08 per unit for a period of five years.*

(unaudited, expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL AND RESERVES *(continued)*

Share purchase warrant transactions were as follows:

	September 30, 2019		March 31, 2019	
	Warrants Outstanding #	**Weighted Average Exercise Price $**	Warrants Outstanding #	Weighted Average Exercise Price $
Balance, beginning of year	**69,412,116**	**0.13**	58,502,916	0.14
Granted	**2,750,000**	**0.06**	12,384,200	0.06
Expired	**(3,765,000)**	**0.15**	(1,475,000)	0.15
Balance, end of year	**68,397,116**	**0.12**	69,412,116	0.13

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the six month period ended September 30, 2019 and 2018.

Interest of $2,002 (2018 – $9,225) was received during the six month period ended September 30, 2019 relating to the Company's GIC and there were no cash inflows or outflows relating to income taxes.

13. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. Cash and cash equivalents is measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of tax receivables due from federal and provincial government agencies. The Company has no customers or trade receivables at September 30, 2019. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash and cash equivalents is invested in short-term interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company is not exposed to significant interest rate risk.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at September 30, 2019, the Company had cash and cash equivalents totalling $253,086 (March 31, 2019 – $1,123,910) to settle current liabilities of $403,888 (March 31, 2019 – $392,521). The Company raised $150,000 in October 2019 (Note 16a) and entered into a non-binding letter of intent to acquire the Dufferin Gold Properties and complete related $1,600,000 financings with Sprott Resource Lending (Note 16b). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at September 30, 2019 and 2018, the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms.

Price risk - The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financings to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as

15. CAPITAL MANAGEMENT *(continued)*

needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so. There were no changes in the Company's capital management strategy during the six month period ended September 30, 2019 compared to the previous year. The Company is not subject to externally imposed capital requirements.

16. SUBSEQUENT EVENTS

a) On October 30, 2019, the Company completed a non-brokered placement offering of 3,000,000 common share units at a price of $0.05 per common share unit for aggregate gross proceeds of $150,000. Each common share unit consists of one common share of the Company and one common share warrant, with each warrant entitling the holder thereof to acquire one common share at a price of $0.06 per common share for a period of two years following the closing of the Offering. The net proceeds will be used for general corporate purposes.

b) On November 18, 2019, the Company announced it has executed a non-binding letter of intent with Sprott Private Resource Lending (Collector) LP, by its General Partner, Sprott Resource Lending Corp. ("Sprott"), to acquire a 100% interest in the Dufferin gold properties including the Dufferin Gold Project, the Tangier Gold Project and the Forest Hill Gold Project located in Nova Scotia for total consideration of US$8,000,000 in deferred payments.

As part of the acquisition, Sprott or an affiliate(s) would participate in two private placement financings of Aurelius for aggregate gross proceeds of $1,600,000 (the "Private Placements"). Under the first Private Placement, the parties anticipate that an aggregate of $1,000,000 would be advanced to Aurelius by Sprott on an unsecured basis, evidenced by a non-interest bearing promissory note (the "Note"). Such Note would be satisfied by Aurelius in either cash or through the issuance of Aurelius shares. Concurrently with the closing of the acquisition, Aurelius would satisfy the Note by issuing Aurelius Shares, resulting in Sprott holding an approximate 13.9% basic ownership interest in Aurelius. If Aurelius does not complete the Acquisition, the Note would be payable immediately in cash. If Sprott does not complete the acquisition, Aurelius would be required, at its election, to either immediately repay the Note in cash or to issue Aurelius shares, resulting in Sprott holding an approximate 13.9% basic ownership interest in Aurelius. If the first Private Placement is not advanced by way of a Note, Sprott would subscribe for Aurelius shares for up to $1,000,000, which would result in an approximate 13.9% ownership of Aurelius.

Under the second Private Placement, Sprott would be expected to subscribe for Aurelius shares for aggregate gross proceeds of $600,000, at an issue price resulting in an approximate 19.9% aggregate basic ownership of Aurelius to be funded concurrently with the closing of the first equity financing completed by Aurelius following closing of the acquisition.

The acquisition is expected to close on or about December 16, 2019, or such other date as mutually agreed by the parties and is subject to completion of due diligence, final documentation and corporate and regulatory approvals, including the TSX Venture Exchange.