AURELIUS MINERALS INC.

AUDITED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2019 AND YEAR ENDED MARCH 31, 2019

(presented in Canadian dollars unless otherwise noted)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Aurelius Minerals Inc.

Opinion

We have audited the accompanying financial statements of Aurelius Minerals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and March 31, 2019, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the nine month period ended December 31, 2019 and the year ended March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and March 31, 2019, and its financial performance and its cash flows for the nine month period ended December 31, 2019 and the year ended March 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred ongoing losses. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Harris.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

April 27, 2020

STATEMENTS OF FINANCIAL POSITION

As at (expressed in Canadian dollars)	Note	**December 31 2019 $**	March 31 2019 $
ASSETS			
Current			
Cash and cash equivalents	4	**459,426**	1,123,910
Receivables	5,11	**33,831**	84,920
Prepaid expenses and deposits		**20,877**	28,472
		514,134	1,237,302
Deferred acquisition costs	18	**99,659**	-
Property and equipment	6	**169,162**	11,986
Mineral properties	7	**506,185**	486,185
Total Assets		**1,289,140**	1,735,473
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8,11	**281,603**	392,521
Current portion of lease liability	9	**119,467**	-
Convertible note payable	10	**456,200**	-
Flow-through premium liability	12	**-**	147,000
		857,270	539,521
Lease liability	9	**42,540**	-
Total Liabilities		**899,810**	539,521
Shareholders' equity			
Share capital	12	**9,966,974**	9,809,031
Subscriptions received in advance	12	**-**	25,000
Warrants	12	**317,500**	201,250
Reserves	12	**544,129**	544,129
Deficit		**(10,439,273)**	(9,383,458)
Total Shareholders' Equity		**389,330**	1,195,952
Total Liabilities and Shareholders' Equity		**1,289,140**	1,735,473

Nature and continuance of operations (Note 1) and Subsequent events (Note 18).

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 financial statements.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(expressed in Canadian dollars)	Note	**Nine Month Period Ended December 31 2019 $**	Year Ended March 31 2019 $
EXPENSES			
Exploration	7	**643,136**	1,613,473
Business development		**-**	418,052
Salaries and management fees	11	**297,294**	383,255
Director fees		**82,500**	110,000
Investor relations		**16,668**	139,881
Regulatory and transfer agent fees		**17,245**	21,377
Legal, audit and accounting		**33,533**	50,297
Office and miscellaneous	11	**25,830**	37,478
Rent		**-**	52,111
Rent recovery	11	**(45,163)**	-
Travel		**34,947**	40,483
Depreciation	6	**86,941**	1,625
Interest expense on lease liability	9	**15,610**	-
Share-based compensation	12	**-**	104,635
		(1,208,541)	(2,972,667)
OTHER INCOME (EXPENSES)			
Interest income		**5,726**	14,411
Recognition of flow-through premium liability	12	**147,000**	295,835
Part XII.6 tax expense	12	**-**	(10,362)
Foreign currency loss		**-**	(5,182)
		152,726	294,702
Loss and comprehensive loss for the period		**(1,055,815)**	(2,677,965)
Basic and diluted loss per common share		**(0.01)**	(0.03)
Weighted average number of common shares		**123,869,835**	92,822,261

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

STATEMENTS OF CASH FLOWS

(expressed in Canadian dollars)	Nine Month Period Ended December 31 2019 $	Year Ended March 31 2019 $
Cash flows from operating activities		
Loss for the period	**(1,055,815)**	(2,677,965)
Items not involving cash:		
Recognition of flow-through premium liability	**(147,000)**	(295,835)
Share-based payment	**-**	104,635
Depreciation	**86,941**	1,625
Interest expense on lease liability	**15,610**	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**51,627**	58,612
(Increase) decrease in accrued interest receivable	**(538)**	3,385
(Increase) decrease in prepaid expenses	**7,595**	(10,972)
Increase (decrease) in accounts payable and accrued liabilities	**(194,185)**	48,612
Net cash provided by (used in) operating activities	**(1,235,765)**	(2,767,903)
Cash flows from financing activities		
Convertible note proceeds	**456,200**	-
Issuance of capital stock for cash	**262,500**	1,520,500
Share issuance costs	**(13,307)**	(62,441)
Share subscriptions received in advance	**-**	25,000
Repayment of lease liability	**(97,720)**	-
Net cash provided by (used in) financing activities	**607,673**	1,483,059
Cash flows from investing activities		
Deferred acquisition costs	**(16,392)**	-
Property and equipment acquisitions	**-**	(13,611)
Mineral property acquisitions	**(20,000)**	(20,000)
Net cash provided by (used in) investing activities	**(36,392)**	(33,611)
Change in cash during the period	**(664,484)**	(1,318,455)
Cash, beginning of the period	**1,123,910**	2,442,365
Cash, end of the period	**459,426**	1,123,910

Supplemental disclosure with respect to cash flows (Note 13).

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(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**
Issued for mineral properties (Note 12b)	1,500,000	45,000	-	-	-	-	45,000
Issued for private placements (Note 12b)	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 12b)	-	(62,441)	-	-	-	-	(62,441)
Broker warrants (Note 12b, 12e)	-	(14,016)	-	-	14,016	-	-
Flow-through premium liability (Note 12b)	-	(324,200)	-	-	-	-	(324,200)
Share-based payment (Note 12d)	-	-	-	-	104,635	-	104,635
Reserves transferred on expired options (Note 12d)	-	-	-	-	(13,304)	13,304	-
Loss for the year	-	-	-	-	-	(2,677,965)	(2,677,965)
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 12b)	5,750,000	171,250	(25,000)	116,250	-	-	262,500
Share issuance costs (Note 12b)	-	(13,307)	-	-	-	-	(13,307)
Loss for the period	-	-	-	-	-	(1,055,815)	(1,055,815)
Balance, December 31, 2019	**126,312,562**	**9,966,974**	**-**	**317,500**	**544,129**	**(10,439,273)**	**389,330**

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. 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 or recessionary conditions. This outbreak could decrease access to capital market financing, negatively impact our business and financial position. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or financial position at this time.

The Company's ability to meet its obligations and maintain its exploration activities is contingent upon successful completion of additional financing arrangements.

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 financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's Board of Directors approved these financial statements on April 27, 2020.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

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.

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.

Change in year-end

On February 27, 2020, the Company filed a notice of change of year end pursuant to NI 52-102 Continuous Disclosure Obligations. The Company changed its fiscal year end from March 31 to December 31 in order to better align the Company’s financial reporting periods to those of its peer group in the mineral resources sector and facilitate marketplace assessment of the Company’s business performance. The Company’s transition period is the nine month period ended December 31, 2019. The comparative period is the twelve month period ended March 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in income or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash and highly liquid investments in the form of term deposits, Government of Canada treasury bills, and Guaranteed Investment Certificates (“GICs”), denominated in US dollars and Canadian dollars, with investment terms that are less than 90 days at the time of acquisition. These investments are stated at cost plus accrued interest, which approximate their fair value.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI, are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Amounts receivable are measured at amortized cost with subsequent impairments recognized in profit or loss. Cash and cash equivalents is classified as FVTPL. Amounts receivable are classified at amortized cost.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted as the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities and lease liability are classified as other financial liabilities and carried on the statement of financial position at amortized cost. The Company's convertible note is carried at amortized cost.

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

(expressed in Canadian dollars, unless otherwise noted)

- 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.

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**

During the nine month period ended December 31, 2019, the Company recorded depreciation expense of $87,882 and interest expense of $15,610.

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).

Convertible debt

The host debt liability component of convertible debt is recognized initially at fair value, net of direct expenses, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option, through the consolidated statement of income or loss. The equity conversion feature is recognized initially as the difference between the fair value of the host debt liability and the value of convertible debt as a whole. Subsequent to initial recognition, the host debt liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity. The host liability of the Company's convertible note was determined to approximate its fair value and there were no direct expenses as the convertible note is considered a transaction cost to the acquisition transaction (Note 18).

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization and any impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of income or loss during the period in which they are incurred. Property and equipment is depreciated using the straight-line method over their estimated useful lives, which are generally estimated at between 2 and 5 years. Right of use assets are amortized using the straight line method of the term of the lease.

The assets' residual values, method of depreciation and useful lives, are reviewed annually and modified if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statements of income or loss.

Mineral properties

The Company accounts for its mineral properties as exploration and evaluation assets in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. The Company capitalizes mineral property acquisition costs, which include the cash consideration, option payments under an earn-in arrangement, and the fair value of common shares issued for mineral properties. The acquisition costs are deferred until the property is placed into production, sold or abandoned or determined to be impaired. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company expenses to operations all exploration and evaluation costs incurred prior to the determination of economically recoverable reserves. Exploration and evaluation expenditures relate to costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping, and other activities in searching for ore bodies under the properties, and evaluate the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property by property basis.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.
The increase in the provision due to the passage of time is recognized as interest expense. The Company does not have any significant environmental rehabilitation provision.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of income or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the period end date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares, net of any tax effects, are recognized as a deduction from equity.

Flow-through common shares may be issued from time to time to finance a portion of the Company's exploration activities and results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sale of such shares being transferred to the purchasers of the shares. Under IFRS, on the issuance of such shares, the Company bifurcates the flow-through shares into: a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and share capital. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the subscription price over the fair value of the shares without the flow-through feature at the time of issuance. The premium is recorded as a deferred liability and is included in income at the time the qualified Canadian exploration expenditures ("CEE") as defined in the Income Tax Act (Canada) are incurred.

(expressed in Canadian dollars, unless otherwise noted)

The value of common shares and warrants issued as private placement units is measured using the residual value method, which first allocates value to the more easily measurable component based on fair value (common shares in the private placements) and then the residual value, if any, to the less easily measurable component (warrants in the private placements). Warrants that are issued as agency compensation or other transaction costs are accounted for as share issue costs.

Share-based payments

The Company grants stock options to directors, officers, employees and/or consultants. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model and is recognized over the vesting period of the related options. Consideration paid for the shares on the exercise of stock options is credited to share capital.
For vested options that have expired or were cancelled unexercised, the Company reverses the share-based payment reserve against deficit.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

New Standards not yet adopted

Certain new accounting standards and interpretations have been issued that are not mandatory for reporting periods ending December 31, 2019 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

4. CASH AND CASH EQUIVALENTS

	December 31 2019 $	March 31 2019 $
Cash	**129,426**	1,123,910
GIC (fully redeemable)	**330,000**	-
	459,426	1,123,910

5. RECEIVABLES

	December 31 2019 $	March 31 2019 $
Input sales tax recoverable	**33,293**	74,199
Interest receivable	**538**	-
Other receivables (Note 11)	**-**	10,721
	33,831	84,920

(expressed in Canadian dollars, unless otherwise noted)

6. PROPERTY AND EQUIPMENT

	Right of use asset $	Furniture and equipment $	Computer equipment $	Total $
Cost				
As at March 31, 2018	-	-	-	-
Additions	-	11,850	1,761	13,611
Balance – March 31, 2019	**-**	**11,850**	**1,761**	**13,611**
Additions	244,117	-	-	244,117
Balance – December 31, 2019	**244,117**	**11,850**	**1,761**	**257,728**
Accumulated depreciation				
As at March 31, 2018	-	-	-	-
Depreciation	-	1,185	440	1,625
Balance – March 31, 2019	**-**	**1,185**	**440**	**1,625**
Depreciation	84,502	1,778	661	86,941
Balance – December 31, 2019	**84,502**	**2,963**	**1,101**	**88,566**
Net book value				
As at March 31, 2019	**-**	**10,665**	**1,321**	**11,986**
As at December 31, 2019	**159,615**	**8,887**	**660**	**169,162**

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:

	December 31	March 31
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

(expressed in Canadian dollars, unless otherwise noted)

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

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	6,000	6,000	12,000
Geology	240,205	11,489	251,694
Geophysics	18,640	-	18,640
Field sampling and analysis	96,799	-	96,799
Drilling	1,234,340	-	1,234,340
Year ended March 31, 2019	**1,595,984**	**17,489**	**1,613,473**
Land and claim management	7,397	1,725	9,122
Geology	235,161	3,408	238,569
Geophysics	321,710	-	321,710
Field sampling and analysis	42,566	-	42,566
Drilling	31,169	-	31,169
Nine month period ended December 31, 2019	**638,003**	**5,133**	**643,136**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2019 $	March 31 2019 $
Trade payables	**131,397**	315,286
Accrued liabilities	**150,206**	77,235
	281,603	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	61,221
Lease payments during the period	(97,720)
Interest expense on lease liability	15,610
Balance – December 31, 2019	**119,467**
Non-current lease liability – April 1, 2019	**103,761**
Transfer to current lease liability	(61,221)
Balance – December 31, 2019	**42,540**

(expressed in Canadian dollars, unless otherwise noted)

As at December 31, 2019, the Company is required to pay $130,291 in undiscounted lease payments within the next twelve months and $43,430 over the remaining term of the lease for a total of $173,721.

During the nine month period ended December 31, 2019 and the year ended March 31, 2019, the Company recorded a rent recovery of $45,163 and $nil, respectively, for receipts related to the sub lease arrangement not included in lease liabilities, in the statement of loss and comprehensive loss.

10. CONVERTIBLE NOTE PAYABLE

On December 19, 2019, the Company issued a non-interest bearing unsecured convertible promissory note of the Company to Sprott Private Resource Lending (Collector), LP ("Sprott") in the principal amount of $456,200. The note is convertible at the option of Sprott into common shares of the Company at $0.05 per share (subsequently amended to $0.064 per share). The note was due February 28, 2020 if the acquisition (see Note 18) did not close by then. Due to the short term nature of the note, the principal amount of the note approximated its fair value and the equity conversion feature was considered immaterial.

On February 27, 2020, pursuant to the terms of the Note, Aurelius converted the outstanding $456,200 under the convertible note into 7,128,125 common shares of the Company at a conversion price of $0.064 per common share, concurrent with the closing of the acquisition (see Note 18).

11. 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:

	Nine month period ended December 31, 2019 $	Year ended March 31, 2019 $
Salaries, management consulting and director fees [(1)]	**518,250**	613,000
Short-term employment benefits	**4,500**	6,000
Share-based compensation	**-**	98,137
	522,750	717,137

[(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 Maritime Resources Corp. ("Maritime"), a corporation with common directors and officers. Maritime was also invoiced for reimbursement of direct third-party purchases of certain office administration services. As at December 31, 2019, there was $nil (March 31, 2019 – $10,721) due from Maritime in respect of rent and office administration (Note 5). During the year ended March 31, 2019, the Company incurred office expenses of $1,744, invoiced from a company with a common director during that year.

(expressed in Canadian dollars, unless otherwise noted)

	Nine month period ended December 31, 2019	Year ended March 31, 2019
	$	$
Rent expense (recovery)	**(45,163)**	8,700
Office and other expense (recovery)	**(3,386)**	788
	(48,549)	9,488

Included in accounts payable and accrued liabilities at December 31, 2019 is $113,250 (March 31, 2019 – $39,335) due to the CEO for expenses of $3,250 (March 31, 2019 – $11,835 to the CEO and VP Exploration for consulting fees and expenses) and $110,000 (March 31, 2019 – $27,500) for accrued directors' fees.

12. 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.

b) Issued share capital

During the nine month period ended December 31, 2019, the Company issued:

- 3,000,000 common share units on October 30, 2019 at a price of $0.05 per common share unit for gross proceeds of $150,000 pursuant to a non-brokered placement offering. 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. Total aggregate transactions costs were $8,119 for regulatory and legal fees. $75,000 was allocated to the warrant component of the common share units.

- 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. Total cash transaction costs were $5,188.

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 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 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 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 nine months ended December 31, 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 (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 from $118,635 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.

(expressed in Canadian dollars, unless otherwise noted)

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.

As at December 31, 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 transaction are summarized as follows:

	December 31, 2019		March 31, 2019	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**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 period	**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%.

(expressed in Canadian dollars, unless otherwise noted)

e) Warrants

As at December 31, 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
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
3,000,000	$0.06	October 30, 2021
37,280,478	$0.16	December 21, 2022
2,982,438[(1)]	$0.08	December 21, 2022
71,397,116		

[(1)] *Each agent warrant is exercisable to acquire one December Unit at a price of $0.08 per unit for a period of five years.*

Share purchase warrant transactions were as follows:

	December 31, 2019		March 31, 2019	
	Warrants Outstanding #	**Weighted Average Exercise Price $**	Warrants Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**69,412,116**	**0.13**	58,502,916	0.14
Granted	**5,750,000**	**0.06**	12,384,200	0.06
Expired	**(3,765,000)**	**0.15**	(1,475,000)	0.15
Balance, end of period	**71,397,116**	**0.12**	69,412,116	0.13

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the nine month period ended December 31, 2019, include:

a) Issuing 500,000 common shares for $25,000 of share subscriptions received in advance of April 1, 2019.
b) Recognition of a ROU asset of $244,117 and corresponding lease liability during the period.
c) Deferred acquisition costs of $83,267 included in accounts payable and accrued liabilities.

Significant non-cash transactions during the year ended March 31, 2019, include:
a) Issuing 189,000 broker warrants with a fair value of $4,238 as finders' compensation in relation to the March 2019 Offering.
b) Issuing 445,200 broker warrants with a fair value of $9,778 as finders' compensation in relation to the 2018 Offering in December 2018.
c) Issuing 1,500,000 common shares valued at $45,000 pursuant to the Mikwam Option.

Interest of $5,726 was received during the nine month period ended December 31, 2019 and interest of $17,795 was received during the year ended March 31, 2019 relating to the Company's GIC and there were no cash inflows or outflows relating to income taxes.

(expressed in Canadian dollars, unless otherwise noted)

14. INCOME TAXES

A reconciliation of current and deferred taxes at statutory rates with reported taxes follows:

		December 31 2019		March 31 2019
Loss before income taxes	$	**(1,055,815)**	$	(2,677,965)
Income tax (recovery) expense		**(285,000)**		(723,000)
Changes in statutory tax rates and other		**29,000**		(3,000)
Permanent differences		**15,000**		111,000
Impact of flow-through shares		**-**		408,000
Share issue cost		**-**		(17,000)
Adjustment to prior years provision versus statutory tax returns		**(160,000)**		(64,000)
Changes in unrecognized deductible temporary differences		**401,000**		288,000
Income tax (expense) recovery	$	**-**	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

		2019	expiry dates		2019
Property and equipment	$	8,000	no expiry date	$	18,000
Mineral properties		900,000	no expiry date		257,000
Allowable capital losses		804,000	no expiry date		804,000
Non-capital losses available for future periods		5,232,000	2025 to 2039		4,294,000
Share issue costs		183,000	2040 to 2042		275,000

Tax attributes are subject to review and potential adjustment by tax authorities.

15. SEGMENTED INFORMATION

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

16. 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, accounts payable and accrued liabilities and convertible note payable. Cash and cash equivalents is measured at fair value based on Level

1 of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and convertible note payable 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 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 December 31, 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 is exposed to liquidity risk.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at December 31, 2019, the Company had cash and cash equivalents totalling $459,426 (March 31, 2019 – $1,123,910) to settle current liabilities of $857,270 (March 31, 2019 – $392,521), which includes the Note which was converted into common shares and settled on February 27, 2020 (see Note 18). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at December 31, 2019 and March 31, 2019, 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.

17. 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 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 nine month period ended December 31, 2019 compared to the previous year. The Company is not subject to externally imposed capital requirements.

18. SUBSEQUENT EVENTS

a) On February 27, 2020, the Company announced that pursuant to a master transaction agreement (the "Transaction Agreement") entered into between Aurelius and Sprott Private Resource Lending (Collector) LP, by its General Partner, Sprott Resource Lending Corp. ("Sprott Lending" or "Sprott"), Aurelius has completed the acquisition (the "Acquisition") of 2672403 Ontario Inc. ("267 Ontario"), the owner of a 100% interest in the Dufferin gold properties including the Dufferin Gold Project (other than the Dufferin West Project), the Tangier Gold Project and the Forest Hill Gold Project located in Nova Scotia (collectively renamed, the "Aureus Gold Properties") for total consideration of up to US$8,200,000 in deferred payments (the "Deferred Payments") payable in cash or common shares of Aurelius ("Aurelius Shares") or a combination of cash and Aurelius Shares subject to the terms of the Transaction Agreement.

The Company has granted Sprott Lending a first ranking security obligation on all assets related to the Aureus Gold Properties until the balance of the Deferred Payments has been satisfied, which will be extended to Aureus West upon acquisition by Aurelius. Aurelius has the right, for a period of three years from the closing of the Acquisition, to extinguish the Deferred Payments for consideration of US$4,000,000 payable in cash or in Aurelius Shares to Sprott Lending, less any prior payments made in cash or Aurelius Shares. Should the Company elect to pay the Deferred Payments in Aurelius Shares in an amount that would result in Sprott holding 20% or more of the issued and outstanding Aurelius Shares, such issuance will be subject to further review of the TSX Venture Exchange and acceptance and will require disinterested shareholder approval.

In the event that the Mineral Resources Estimate Report and/or the Feasibility Study has not been filed by the fifth anniversary of the closing of the Acquisition or Aurelius has otherwise determined in good faith not to proceed with preparing the Mineral Resources Estimate Report and/or Feasibility Study, and provided that a change of control, as defined in the Transaction Agreement, has not occurred and is not contemplated, subject to certain conditions, the Company will be permitted to transfer the shares of 267 Ontario back to Sprott Lending for no additional consideration and the parties would then have no further obligations under the Transaction Agreement with respect to the Aureus Gold Properties.

Concurrent with closing of the Acquisition, (i) the $456,200 Note (Note 10) was converted into 7,128,125 Aurelius Shares at a conversion price of $0.064 per Aurelius Share; and (ii) Sprott Lending subscribed for 17,871,875 Aurelius Shares on a private placement basis at a price of $0.064 per Aurelius Share (the "Private Placement"), which, together with the Note, represents additional gross proceeds to Aurelius of $1,600,000. As a result of the conversion of the Note and the completion of the Private Placement, Sprott together with its affiliates currently hold approximately 19.9% of the issued and outstanding Aurelius Shares on a partially diluted basis.

Pursuant to the Transaction Agreement, until such time as Sprott's basic ownership interest in the Company falls below 9.9%, Sprott is entitled to nominate two directors to the board of Aurelius (the "Board"), one of which is to be independent. If the Company proposes to complete an offering of equity securities or securities convertible into equity securities, Sprott has the right to participate at the same subscription price and on terms no less favourable to Sprott than those provided under any such equity financing to maintain the same basic ownership percentage it had immediately prior to the equity financing, and Sprott is entitled to a "catch-up right" in the event the Company issues Aurelius Shares, under certain circumstances, which cumulatively dilute the basic ownership interest of Sprott and its affiliates by at least 3%.

The Transaction Agreement also provides that upon a change of control, as defined in the Transaction Agreement, the balance of the Deferred Payments, after accounting for any deductions would become immediately due and payable. In the event of a change of control where the Aurelius equity holders receive consideration for their Aurelius Shares, the Deferred Payments are required to be satisfied on the same basis, except that any non-cash component is limited so that Sprott's basic ownership interest of the successor or continuing corporation or entity would not exceed 19.9% (with any balance remaining payable in cash).

Upon the occurrence of a change of control, Sprott is entitled to an immediate cash incentive payment equal to 10% of the proceeds payable to any equity holders of Aurelius in addition to the balance of the Deferred Payments described above. The Company is entitled, for a period of three years from the closing of the Acquisition, to extinguish the incentive payment for US$1,000,000 payable in cash.

As at December 31, 2019, the Company had incurred $99,659 of deferred acquisition costs related to the Acquisition.