AURELIUS MINERALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

(presented in Canadian dollars unless otherwise noted)

(Unaudited)

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.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at (expressed in Canadian dollars, Unaudited)	Note	March 31 2020 $	December 31 2019 $
ASSETS			
Current			
Cash and cash equivalents	4	**2,129,999**	459,426
Receivables	3,5	**352,932**	33,831
Prepaid expenses and deposits		**37,967**	20,877
		2,520,898	514,134
Deferred acquisition costs	3,18	**8,103**	99,659
Property, plant and equipment	6	**1,254,892**	169,162
Mineral properties	7	**506,185**	506,185
Deposits	8	**117,185**	-
Reclamation deposit	8	**1,275,000**	-
Total Assets		**5,682,263**	1,289,140
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9,13	**477,613**	281,603
Current portion of lease liability	10	**133,267**	119,467
Convertible note payable	11	**-**	456,200
		610,880	857,270
Lease liability	10	**83,395**	42,540
Reclamation obligation	12	**667,000**	-
Obligation upon Aureus Gold acquisition	3	**2,812,800**	-
Total Liabilities		**4,174,075**	899,810
Shareholders' equity			
Share capital	14	**11,566,974**	9,966,974
Warrants	14	**317,500**	317,500
Reserves	14	**544,129**	544,129
Deficit		**(10,920,415)**	(10,439,273)
Total Shareholders' Equity		**1,508,188**	389,330
Total Liabilities and Shareholders' Equity		**5,682,263**	1,289,140

Nature and continuance of operations (Note 1) and Subsequent event (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 condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(expressed in Canadian dollars, Unaudited)	Note	**Three Month Period Ended March 31 2020 $**	Three Month Period Ended March 31 2019 $
EXPENSES			
Exploration	7	**146,892**	516,528
Salaries and management fees	13	**131,315**	106,092
Director fees		**27,083**	27,500
Investor relations		**3,955**	24,794
Regulatory and transfer agent fees		**7,081**	9,763
Legal, audit and accounting		**-**	26,298
Office and miscellaneous	13	**11,054**	15,600
Rent (recovery)	10	**(16,286)**	22,873
Travel		**30,272**	12,261
Depreciation	6	**30,361**	812
Interest expense on lease liability	10	**3,812**	-
Share-based compensation	14	**-**	104,635
		(375,539)	(867,156)
OTHER INCOME (EXPENSES)			
Interest income		**2,334**	432
Recognition of flow-through premium liability	14	**-**	177,200
Part XII.6 tax expense	14	**-**	(439)
Foreign currency gain (loss)	3	**(107,937)**	-
		(105,603)	177,193
Loss and comprehensive loss for the period		**(481,142)**	(689,963)
Basic and diluted loss per common share		**Nil**	(0.01)
Weighted average number of common shares		**135,378,496**	104,380,340

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in Canadian dollars, Unaudited)	**Three Month Period Ended March 31 2020 $**	Three Month Period Ended March 31 2019 $
Cash flows from operating activities		
Loss for the period	**(481,142)**	(689,963)
Items not involving cash:		
Recognition of flow-through premium liability	**-**	(177,200)
Share-based payment	**-**	104,635
Unrealized foreign exchange (gain) loss	**134,200**	-
Depreciation	**30,361**	812
Interest expense on lease liability	**3,812**	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**81,715**	(58,777)
(Increase) decrease in accrued interest receivable	**(1,311)**	2,361
(Increase) decrease in prepaid expenses	**(13,315)**	(15,613)
Increase (decrease) in accounts payable and accrued liabilities	**43,013**	261,375
Net cash provided by (used in) operating activities	**(202,667)**	(572,370)
Cash flows from financing activities		
Issuance of capital stock for cash	**1,143,800**	827,500
Share issuance costs	**-**	(19,502)
Share subscriptions received in advance	**-**	25,000
Repayment of lease liability	**(33,889)**	-
Net cash provided by (used in) financing activities	**1,109,911**	832,998
Cash flows from investing activities		
Deferred acquisition costs	**(242,513)**	-
Cash assumed upon acquisition of Aureus Gold	**1,005,842**	-
Net cash provided by (used in) investing activities	**763,329**	-
Change in cash during the period	**1,670,573**	260,628
Cash, beginning of the period	**459,426**	863,282
Cash, end of the period	**2,129,999**	1,123,910

Supplemental disclosure with respect to cash flows (Note 15).

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(expressed in Canadian dollars, Unaudited)	Shares #	Share Capital $	Share Subscriptions Received in Advance $	Warrants $	Reserves $	Deficit $	Total $
Balance, December 31, 2018	**104,012,562**	**9,253,521**	**-**	**100,000**	**435,256**	**(8,693,495)**	**1,095,282**
Issued for private placements (Note 14b)	16,550,000	726,250	-	-	-	-	726,250
Share subscriptions received in advance	-	-	25,000	-	-	-	25,000
Warrants issued for private placements	-	-	-	101,250	-	-	101,250
Share issuance costs (Note 14b)	-	(19,502)	-	-	-	-	(19,502)
Broker warrants (Note 14b, 14e)	-	(4,238)	-	-	4,238	-	-
Flow-through premium liability (Note 14b)	-	(147,000)	-	-	-	-	(147,000)
Share-based payment (Note 14d)	-	-	-	-	104,635	-	104,635
Reserves transferred on expired options (Note 14d)	-	-	-	-			-
Loss for the period	-	-	-	-	-	(689,963)	(689,963)
Balance, March 31, 2019	**120,562,562**	**9,809,031**	**25,000**	**201,250**	**544,129**	**(9,383,458)**	**1,195,952**
Balance, December 31, 2019	**126,312,562**	**9,966,974**	**-**	**317,500**	**544,129**	**(10,439,273)**	**389,330**
Issued for private placements (Note 14b)	25,000,000	1,600,000	-	-	-	-	1,600,000
Loss for the period	-	-	-	-	-	(481,142)	(481,142)
Balance, March 31, 2020	**151,312,562**	**11,566,974**	**-**	**317,500**	**544,129**	**(10,920,415)**	**1,508,188**

The accompanying notes are an integral part of these condensed interim consolidated 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 the Mikwam and Lipton gold exploration properties within the northern Abitibi Gold Belt in Ontario, Canada. On February 27, 2020, the Company completed the acquisition of Aureus Gold Inc. (previously 2672403 Ontario Inc.), which holds the Aureus Gold properties in Nova Scotia, Canada. Following the acquisition, Aurelius has one wholly owned subsidiary, Aureus Gold Inc.. 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 consolidated 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 consolidated 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 PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed interim consolidated 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") and follow the same accounting policies and methods disclosed in Note 3 of the Company's audited financial statements for the nine months ended December 31, 2019 (Note 2d) unless otherwise indicated.

These condensed interim consolidated financial statement do not include all disclosures required by IFRS for annual consolidated financial statements and accordingly should be read in conjunction with the audited financial statements for the nine months ended December 31, 2019 (Note 2d).

The Company's Board of Directors approved these financial statements on June 29, 2020.

(b) Basis of presentation

These condensed interim consolidated financial statements include the accounts of Aurelius Minerals Inc. and its wholly owned subsidiary and all intercompany transactions and balances are eliminated on consolidation.

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

(c) 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.

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.

Acquisition accounting

The assessment of whether acquisitions are considered business combinations or asset acquisitions requires management judgement, the outcome of which may result in different accounting treatments. Judgement is also required to determine the fair value of the purchase price of the Acquisition (Note 3) based on the probability of making a future payment, in cash or shares, or returning the shares to Sprott Lending which is dependent on future exploration success. Judgement is also required to determine if the potential contingent payment should be classified as equity or a liability. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is re-measured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are expensed to the statement of loss and comprehensive loss.

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

Decommissioning and rehabilitation provision

Management's determination of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures. Accounting for reclamation obligations requires management to make estimates and judgements of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

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.

(d) 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 was the nine month period ended December 31, 2019, for which the comparative period is the twelve month period ended March 31, 2019. For the three month period ended March 31, 2020, the comparative period for the statement of comprehensive loss, statement of changes in equity, and statement of cash flows is the three month period ended March 31, 2019. For the statement of financial position as at March 31, 2020, the comparative balances are as at December 31, 2019.

3. ACQUISITION

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 had completed the acquisition (the "Acquisition") of Aureus Gold Inc. (previously 2672403 Ontario Inc.) ("Aureus Gold"), the owner of a 100% interest in the Aureus gold properties including the Aureus Gold Project (other than the Aureus West Project), the Tangier Gold Project and the Forest Hill Gold Project located in Nova Scotia (collectively named, the "Aureus Gold Properties") for total consideration of up to US$8,200,000 in deferred payments (the "Deferred Payments"). The Deferred Payments are payable in cash or common shares of Aurelius ("Aurelius Shares") or a combination of cash and Aurelius Shares at the sole option of the Company. Prior to closing Sprott Lending deposited US$750,000 related to the Aureus West property acquisition and payment of certain other expenses and will satisfy the outstanding balance of the Reclamation Deposit of $225,000. On May 7, 2020, Aurelius announced that it had completed the acquisition of the Aureus West property (Note 18).

Subject to the terms of the Transaction Agreement, Aurelius acquired Aureus Gold in consideration for the Deferred Payments, payable as follows: (a) US$2,500,000 within 90 days after filing a National Instrument 43-101 – Standard of Disclosure for Mineral Projects ("NI 43-101") technical report in respect of all or part of the Aureus Gold Properties that establishes a minimum of 500,000 contained equivalent ounces of gold in the Measured and Indicated Mineral Resource categories (the "Mineral Resources Estimate Report"); and (b) provided that the Deferred Payment in (a) above has become due and payable, US$5,700,000 on the first anniversary of the filing of a NI 43-101 feasibility study on all or part of the Aureus Gold Properties (the "Feasibility Study"). Aurelius has granted Sprott Lending a first ranking security interest on all assets related to the Aureus Gold Properties until the balance of the Deferred Payments has been satisfied, which was extended to the Aureus West property upon its acquisition.

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 below) has not occurred and is not contemplated, subject to certain conditions, Aurelius will be permitted to transfer the shares of Aureus Gold 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.

The Company has the right to pay the future purchase obligation in cash or shares and accordingly, under *IFRS 2 – Share-Based Payment*, management is required to assess the probability of the likelihood of the issuance of shares. Under *IAS 32 – Financial Instruments: Presentation*, management assessed that the future purchase obligation is a contingent settlement which results in a variable number of issuable common shares of the Company, dependent upon the share price at settlement and is classified as a liability. In addition, the liability contains a derivative feature under *IFRS 9 – Financial Instruments* as the fair value changes with changes in foreign exchange rates. Based on the probabilities assigned to whether management exercises the Deferred Payments, the early payment option of US$4,000,000 or the right to transfer the Aureus Gold shares back to Sprott Lending, the value of the contingent consideration to acquire Aureus Gold was US$2,000,000. The United States dollar denominated contingent obligation will be re-measured at each reporting date and changes in fair value due to changes in foreign exchange rates will be expensed to the statement of loss and comprehensive loss.

(expressed in Canadian dollars, unless otherwise noted)

The transaction is accounted for as an asset acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition. Management has substantially completed the process of determining fair values for the assets and liabilities acquired. However, the purchase price allocation is subject to change as the valuation process is completed during 2020.

The current allocation of the purchase price to the estimated fair value of the assets and liabilities of Aureus Gold is as follows:

	$
Purchase price	
Contingent obligation to issue cash or shares	2,678,600
Transaction costs	330,664
	3,009,264
Fair value of assets and liabilities acquired	
Cash	1,005,842
Receivables	399,505
Prepaid expenses	3,775
Deposits	117,185
Property, plant and equipment	1,031,359
Reclamation deposit	1,275,000
Accounts payable and accrued liabilities	(156,402)
Reclamation provision	(667,000)
	3,009,264

Contingent Obligation	**$**
Opening – January 1, 2020	-
Additions	2,678,600
Effect of foreign currency changes	134,200
Balance – March 31, 2020	**2,812,800**

4. CASH AND CASH EQUIVALENTS

	March 31 2020 $	December 31 2019 $
Cash	**1,129,999**	129,426
GIC (fully redeemable)	**1,000,000**	330,000
	2,129,999	459,426

(expressed in Canadian dollars, unless otherwise noted)

5. RECEIVABLES

	March 31 2020 $	December 31 2019 $
Input sales tax recoverable	**126,621**	33,293
Interest receivable	**1,311**	538
Other receivables (Note 3)	**225,000**	-
	352,932	33,831

6. PROPERTY, PLANT AND EQUIPMENT

	Mill and infrastructure equipment $	Mobile and infrastructure equipment	Office furniture and equipment	Right of use assets $	Total $
Cost					
At March 31, 2019	-	-	13,611	-	13,611
Additions	-	-	-	244,117	244,177
Balance – December 31, 2019	-	-	13,611	244,117	257,728
Additions	**912,086**	**119,273**	**-**	**84,732**	**1,116,091**
Balance – March 31, 2020	**912,086**	**119,273**	**13,611**	**328,849**	**1,373,819**
Accumulated depreciation					
At March 31, 2019	-	-	1,625	-	1,625
Depreciation	-	-	2,439	84,502	86,941
Balance – December 31, 2019	-	-	4,064	84,502	88,566
Depreciation	**-**	**1,382**	**812**	**28,167**	**30,361**
Balance – March 31, 2020	**-**	**1,382**	**4,876**	**112,669**	**118,927**
Net book value					
At December 31, 2019	-	-	9,547	159,615	169,162
At March 31, 2020	**912,086**	**117,891**	**8,735**	**216,180**	**1,254,892**

As at March 31, 2020, the mill is not considered available for use and accordingly is not being depreciated at this time. Mobile and infrastructure equipment is depreciated using the straight-line method over their estimated useful lives, estimated to be between 7 and 10 years.

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, 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, and the Aureus Gold properties, including the Aureus East, Tangier and Forest Hill properties, in Nova Scotia, Canada. The capitalized acquisition costs are as follows:

(expressed in Canadian dollars, unless otherwise noted)

	Mikwam $	Lipton $	Total $
Balance – March 31, 2019	257,500	228,685	486,185
Additions	-	20,000	20,000
Balance – March 31, 2020 and December 31, 2019	**257,500**	**248,685**	**506,185**

Mikwam

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"). The Company has the right, at any time, to acquire the NSR from ALX in consideration of a cash payment of $1,000,000.

Lipton

The Company entered into an option agreement to acquire a 100% interest in a portion of 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 $30,000 was paid subsequent to March 31, 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, not subject to an NSR, in the amount of $106,185.

Aureus East

The Company acquired the Aureus East property from Sprott Lending on February 27, 2020 (Note 3). The Company also holds an Environmental Approval and Industrial Approval for the Property, both of which remain in place and valid. The Department of Energy and Mines, Nova Scotia holds a 1% NSR on all gold sales. The property is also subject to a NSR royalty of 1% held by Metalla Royalty & Streaming Ltd..

Tangier

The Company acquired the Tangier property from Sprott Lending on February 27, 2020 (Note 3). The Department of Energy and Mines, Nova Scotia holds a 1% NSR on all gold sales. Aurelius holds surface rights to the property subject to an annual payment of $12,000 and a 1% net profits royalty from minerals produced up to a maximum of $1 million.

Forest Hill

The Company acquired a 100% interest in mineral rights to the Forest Hill property on February 27, 2020 (Note 3). The Nova Scotia Department of Energy and Mines owns a 1% NSR on all gold sales. A previous Optionor holds a sliding scale royalty on portions of the property. All other marketable commodities within an area of interest are subject to a 1.75% NSR.

(expressed in Canadian dollars, unless otherwise noted)

The Company incurred exploration expenditures, which are expensed to the statement of loss and comprehensive loss, as follows:

	Mikwam $	Lipton $	Aureus East $	Tangier $	Total $
Land and claim management	3,000	3,000	-	-	6,000
Geology	67,744	689	-	-	68,433
Geophysics	16,140	-	-	-	16,140
Drilling	425,955	-	-	-	425,955
Period ended March 31, 2019	**512,839**	**3,689**	**-**	**-**	**516,528**
Site administration and maintenance	-	-	43,652	16,148	59,800
Geology	87,092	-	-	-	87,092
Period ended March 31, 2020	**87,092**	**-**	**43,652**	**16,148**	**146,892**

8. DEPOSITS

Deposits

The Company assumed deposits of $117,185 with Nova Scotia Power (Note 3). The deposits are expected to be refunded approximately two years following the Acquisition closing date.

Reclamation Deposit

The Company assumed reclamation security payments to the Department of Energy and Mines of Nova Scotia related to the Aureus Gold property which hosts a mill and tailings management facility (Note 3). Security deposits total $1,275,000 as at March 31, 2020. Additional payments totalling $225,000 are to be paid by Sprott in July 2020 to complete the scheduled payments totalling $1,500,000 (Note 3).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31 2020 $	December 31 2019 $
Trade payables	**190,937**	131,397
Accrued liabilities	**286,676**	150,206
	477,613	281,603

(expressed in Canadian dollars, unless otherwise noted)

10. LEASE LIABILITY

	March 31 2020 $	December 31 2019 $
Current portion of lease liability	**119,467**	-
Additions	**12,104**	140,356
Transfer from long-term lease liability	**31,773**	61,221
Lease payments during the period	**(33,889)**	(97,720)
Interest expense on lease liability	**3,812**	15,610
	133,267	119,467
Non-current lease liability	**42,540**	103,761
Additions	**72,628**	-
Transfer to current lease liability	**(31,773)**	(61,221)
	83,395	42,540

As at March 31, 2020, the Company is required to pay $146,085 (December 31, 2019 – $130,291) in undiscounted lease payments within the next twelve months and $72,717 (December 31, 2019 –$43,430) over the remaining term of the leases for a total of $218,802 (December 31, 2019 –$173,721).

During the three month period ended March 31, 2020, the Company recorded a rent recovery of $16,286 for receipts related to the sub lease arrangement not included in lease liabilities, in the statement of loss and comprehensive loss.

11. 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 was 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 did not close by then and accordingly, 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 (Note 3).

12. RECLAMATION OBLIGATION

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its Aureus East property are based on reclamation standards that meet Canadian regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, discount rates and timing of expected expenditures.

The undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs is estimated at $667,000. The Company has considered the first milestone of three years to settle the early payment option pursuant to the Acquisition of Aureus East property and accordingly accretion is nominal due to the low and offsetting inflation and risk-free interest rates. The Company has recorded the undiscounted amount of estimate reclamation costs and will re-evaluate the estimated timing and value of outflows annually and will revise its estimate if necessary.

(expressed in Canadian dollars, unless otherwise noted)

13. 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 March 31, 2020 $	Three month period ended March 31, 2019 $
Salaries, management consulting and director fees [1]	**192,333**	160,000
Short-term employment benefits	**1,500**	1,500
Share-based compensation	**-**	98,137
	193,833	259,637

[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.

	Three month period ended March 31, 2020 $	Three month period ended March 31, 2019 $
Rent expense (recovery)	**(16,286)**	8,700
Office and other expense (recovery)	**(1,146)**	788
	(17,432)	9,488

Included in accounts payable and accrued liabilities at March 31, 2020 is $163,480 (December 31, 2019 – $113,250) due to officers and directors, including the CEO and VP Exploration for expenses and fees of $26,397 (December 31, 2019 – $3,250 to the CEO), and $137,083 (December 31, 2019 – $110,000) for directors' fees.

14. 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 three month period ended March 31, 2020, the Company issued:

- 25,000,000 common shares on February 27, 2020 at a price of $0.064 per common share pursuant to the closing of the acquisition of Aureus Gold Inc. (Note 3). 7,128,125 common shares were issued to settle the $456,200 non-interest bearing promissory note advanced to Aurelius by Sprott Lending on an unsecured basis on December 19, 2019 and Sprott Lending subscribed for 17,871,875 common shares on a private placement basis at a price of $0.064 per common share for gross proceeds of $1,143,800.

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.

- 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 required 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%.

(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 March 31, 2020, 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:

	March 31, 2020		December 31, 2019	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**8,691,800**	**0.08**	8,691,800	0.08
Granted	**-**	**-**	-	-
Expired/cancelled	**-**	**-**	-	-
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

Subsequent to March 31, 2020, 5,690,400 stock options were granted to directors, officers, employees and consultants.

d) Options – Share-based compensation

During the three month period 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 March 31, 2020, 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 unit at a price of $0.08 per unit for a period of five years, for a common share and a common share warrant.

Share purchase warrant transactions were as follows:

	March 31, 2020		December 31, 2019	
	Warrants Outstanding #	**Weighted Average Exercise Price $**	Warrants Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**71,397,116**	**0.12**	69,412,116	0.13
Granted	-	-	5,750,000	0.06
Expired	-	-	(3,765,000)	0.15
Balance, end of period	**71,397,116**	**0.12**	71,397,116	0.12

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the three month period ended March 31, 2020, include:

a) Issuing 7,128,125 common shares at a conversion price of $0.064 per common share to settle its $452,200 convertible Note on February 27, 2020.
b) Recognition of an additional right of use asset of $84,732 and corresponding lease liabilities during the period.
c) Deferred acquisition costs of $79,863 included in accounts payable and accrued liabilities.
d) Recognizing a future contingent liability upon the acquisition of Aureus Gold of $2,678,600, in cash or shares, and recording an increase in the liability and corresponding foreign currency loss of $134,200 upon conversion at March 31, 2020 foreign exchange rates.
e) Allocating $1,031,359 to property, plant and equipment upon acquisition of Aureus Gold.

Significant non-cash transactions during the three month period 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.

Interest of $1,516 was received during the three month period ended March 31, 2020 (2019 – $2,792) relating to the Company's GIC and there were no cash inflows or outflows relating to income taxes.

16. SEGMENTED INFORMATION

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

17. 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, convertible note payable and contingent obligation. 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 contingent obligation is measured based on Level 3 inputs and changes in its fair value are recorded in the statement of loss and comprehensive loss.

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 March 31, 2020. 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 March 31, 2020, the Company had cash and cash equivalents totalling $2,129,999 (December 31, 2019 – $459,426) to settle current liabilities of $610,880 (December 31, 2019 – $857,270). At December 31, 2019, the Company held a convertible note which was converted into common shares and settled on February 27, 2020 (Note 3). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at March 31, 2020 and December 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.

18. SUBSEQUENT EVENT

On May 7, 2020, the Company announced it had completed the acquisition of the Aureus West Gold Property, through its wholly owned subsidiary Aureus Gold, for (i) US$500,000 upon closing; (ii) a 2% net smelter return royalty with respect to production from Aureus West; and (iii) 2,000,000 Aurelius Shares.