AURELIUS MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(expressed in Canadian dollars unless otherwise noted)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Aurelius Minerals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Aurelius Minerals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit 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 Consolidated 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 consolidated 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 audit 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 consolidated financial statements, which indicates that 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. As stated in Note 1, these material uncertainties may cast significant doubt on the entity'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 consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Guy Thomas.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 26, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31 (expressed in Canadian dollars)	**Note**	**2021** $	2020 $
ASSETS			
Current			
Cash and cash equivalents	6	**1,329,426**	3,330,376
Receivables	7	**802,758**	404,456
Prepaid expenses and deposits		**45,202**	130,518
		2,177,386	3,865,350
Property, plant and equipment	8	**1,567,938**	1,400,000
Mineral properties	9	**1,420,700**	1,320,700
Reclamation deposit	10	**1,500,000**	1,500,000
Deposits	10	**-**	117,185
Total Assets		**6,666,024**	8,203,235
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11,16	**1,094,456**	995,818
Current portion of lease liability	12	**137,815**	73,061
Flow-through premium liability	17	**145,117**	494,116
		1,377,388	1,562,995
Lease liability	12	**360,025**	201,565
Reclamation obligation	15	**667,000**	667,000
Obligation upon Aureus Gold acquisition	5,13	**1,301,256**	1,393,674
Total Liabilities		**3,705,669**	3,825,234
Shareholders' equity			
Share capital	17	**24,015,030**	17,805,504
Warrants	17	**67,433**	154,500
Reserves	17	**1,825,435**	1,341,996
Deficit		**(22,947,543)**	(14,923,999)
Total Shareholders' Equity		**2,960,355**	4,378,001
Total Liabilities and Shareholders' Equity		**6,666,024**	8,203,235

Nature and continuance of operations (Note 1), and Subsequent events (Note 24).

Approved and authorized on behalf of the Board of Directors:

"Gilles Arseneau"	*"Michael Leskovec"*
Gilles Arseneau, Chairman	Michael Leskovec, Director

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended December 31 (expressed in Canadian dollars)	Note	2021 $	2020 $
EXPENSES			
Exploration	9	**6,874,533**	3,192,085
Salaries and fees	16	**943,919**	664,851
Director fees		**110,000**	109,583
Investor relations		**292,418**	88,485
Legal, audit and accounting		**56,205**	75,839
Office and miscellaneous	16	**53,699**	60,920
Regulatory and transfer agent fees		**58,580**	78,128
Rent recovery	12,16	**(74,715)**	(65,146)
Travel		**53,015**	98,337
Depreciation	8	**224,619**	154,616
Interest expense on lease liability	12	**35,498**	16,678
Share-based compensation	16,17	**396,483**	375,210
		(9,024,254)	(4,849,586)
OTHER INCOME (EXPENSES)			
Interest income		**7,094**	9,485
Recognition of flow-through premium liability	17	**899,001**	230,107
Gain/(loss) on acquisition obligation settlement	13	**25,306**	(31,250)
Foreign currency gain		**11,535**	145,577
		942,936	353,919
Loss and comprehensive loss for the year		**(8,081,318)**	(4,495,667)
Basic and diluted loss per common share		**(0.23)**	(0.24)
Weighted average number of common shares outstanding		**34,560,985**	18,987,430

Share consolidation (Note 4).

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31 (expressed in Canadian dollars)	2021 $	2020 $
Cash flows from operating activities		
Loss for the year	**(8,081,318)**	(4,495,667)
Items not involving cash:		
Flow-through premium liability	**(899,001)**	(230,107)
(Gain)/loss on acquisition obligation settlement	**(25,306)**	31,250
Unrealized foreign exchange gain	**(12,504)**	(107,032)
Share-based payment	**396,483**	375,210
Depreciation	**224,619**	154,616
Interest expense on lease liability	**35,498**	16,678
Changes in non-cash working capital items:		
Receivables	**(428,302)**	(189,200)
Accrued interest receivable	**-**	(6,920)
Prepaid expenses	**85,316**	(105,866)
Accounts payable and accrued liabilities	**98,638**	624,377
Net cash provided by (used in) operating activities	**(8,605,877)**	(3,932,661)
Cash flows from financing activities		
Issuance of capital stock for cash	**7,200,687**	7,043,235
Share issuance costs	**(438,164)**	(411,740)
Exercise of warrants for cash	**60**	486,512
Repayment of lease liability	**(184,921)**	(150,795)
Net cash provided by (used in) financing activities	**6,577,662**	6,967,212
Cash flows from investing activities		
Cash assumed upon acquisition of Aureus Gold	**-**	1,005,842
Deferred acquisition costs	**-**	(337,842)
Exploration deposits	**117,185**	-
Mineral property acquisition	**(70,000)**	(764,515)
Property and equipment purchases	**(19,920)**	(67,086)
Net cash provided by (used in) investing activities	**27,265**	(163,601)
Change in cash and cash equivalents during the year	**(2,000,950)**	2,870,950
Cash and cash equivalents, beginning of the year	**3,330,376**	459,426
Cash and cash equivalents, end of the year	**1,329,426**	3,330,376

Supplemental disclosure with respect to cash flows (Note 18).

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(expressed in Canadian dollars)	Shares #	Share Capital $	Warrants $	Reserves $	Deficit $	Total $
Balance, December 31, 2019	**12,631,246**	**9,966,974**	**317,500**	**544,129**	**(10,439,273)**	**389,330**
Issued for private placements (Note 17b)	11,961,143	7,043,235	-	-	-	7,043,235
Issued to settle deferred payments	1,404,140	1,209,144	-	-	-	1,209,144
Issued for settlement of note payable (Note 14, 17b)	712,812	456,200	-	-	-	456,200
Issued upon warrant exercise (Note 17b)	697,520	571,753	(77,000)	(8,241)	-	486,512
Issued for minerals properties (Note 17b)	200,000	50,000	-	-	-	50,000
Broker warrants (Note 17b,e)	-	(441,839)	-	441,839	-	-
Share issuance costs (Note 17b)	-	(411,740)	-	-	-	(411,740)
Flow-through premium liability (Note 17b)	-	(724,223)	-	-	-	(724,223)
Share-based payment (Note 17d)		-	-	375,210	-	375,210
Reserves transferred on expired options (Note 17d)		-	-	(10,941)	10,941	-
Reserves transferred on expired warrants (Note 17e)	-	86,000	(86,000)	-	-	-
Loss for the year	-	-	-	-	(4,495,667)	(4,495,667)
Balance, December 31, 2020	**27,606,861**	**17,805,504**	**154,500**	**1,341,996**	**(14,923,999)**	**4,378,001**
Issued for private placements (Note 17b)	12,775,447	7,133,254	67,433	-	-	7,200,687
Issued to settle deferred payments	133,191	54,608	-	-	-	54,608
Issued upon warrant exercise (Note 17b)	100	75	(15)	-	-	60
Broker warrants (Note 17b,e)	-	(148,968)	-	148,968	-	-
Share issuance costs (Note 17b)	-	(438,164)	-	-	-	(438,164)
Flow-through premium liability (Note 17b)	-	(550,002)	-	-	-	(550,002)
Share-based payment (Note 17d)	-	-	-	396,483	-	396,483
Reserves transferred on expired options (Note 17d)	-	-	-	(57,774)	57,774	-
Reserves transferred on expired warrants (Note 17e)	-	158,723	(154,485)	(4,238)	-	-
Loss for the year	-	-	-	-	(8,081,318)	(8,081,318)
Balance, December 31, 2021	**40,515,599**	**24,015,030**	**67,433**	**1,825,435**	**(22,947,543)**	**2,960,355**

Share consolidation (Note 4).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Aurelius Minerals Inc. was incorporated on April 5, 2007 under the Business Corporations Act, British Columbia. Aurelius Minerals Inc. and its subsidiary ("Aurelius" or the "Company") are engaged in the exploration of its gold projects. On February 27, 2020, Aurelius completed the acquisition of its wholly owned subsidiary, Aureus Gold Inc., which holds the Aureus Gold properties in Nova Scotia, Canada. Aurelius also holds the 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 and the OTCQB in the United States (OTCQB: AURQF).

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. While the Company has not been adversely affected to date by the coronavirus COVID-19 global pandemic, other than a delay in the commencement of its 2020 exploration programs at its Nova Scotia properties, it is not possible for the Company to predict the duration or magnitude of the adverse results of COVID-19 and its effects on Aurelius' business or financial position at this time. Aurelius continues to assess the impact of COVID-19 which remains a risk that could have material negative effects on access to capital market financing, the Company's business and financial position.

During the year ended December 31, 2021, the Company completed a share consolidation as described in Note 4.

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

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 consolidated financial statements on April 26, 2022.

Basis of presentation

These consolidated financial statements include the accounts of Aurelius Minerals Inc. and its wholly owned Canadian subsidiary, Aureus Gold Inc. from the date of acquisition (Note 5). 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.

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 mineral 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 5) 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 profit or 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.

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 profit 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. Receivables 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) amortized cost. 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, lease liabilities and the acquisition obligation are classified and measured at amortized cost.

Leases

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

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

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

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

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

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;

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

Lease payments are allocated between the lease liability and interest expense. Interest expense is charged to profit or 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.

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 12).

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. 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.

Property, plant 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 profit 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. Mobile and infrastructure equipment is depreciated using the straight-line method over their estimated useful lives, estimated to be between 7 and 10 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 profit 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.

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 profit 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 by 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. 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.

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. Consideration paid for the shares on the exercise of warrants is credited to share capital.

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 the 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, 2021 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. SHARE CONSOLIDATION

On May 4, 2021, the Company completed a consolidation of the outstanding capital of the Company on the basis of 10 existing common shares for one new consolidated common share. Immediately prior to the consolidation, the Company had 276,069,713 common shares issued and outstanding and immediately after the consolidation, the Company had 27,606,961 post-consolidated common shares issued and outstanding. All information in these consolidated financial statements with respect to prior periods has been restated to be presented on a post share consolidation basis and may vary from the pre-consolidation balances due to the elimination of fractional shares.

Following the effective date of the share consolidation, each outstanding whole warrant of the Company will evidence the right of the holder thereof to acquire, in accordance with the terms of the warrant, 1/10 of a common share at the adjusted share price being the applicable warrant exercise price multiplied by 10. All outstanding warrant information in these consolidated financial statements has been restated to be presented giving effect to this share consolidation impact.

5. 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 satisfied the outstanding balance of the Reclamation Deposit of $225,000 in July 2020. On May 7, 2020, Aurelius completed the acquisition of the Aureus West property.

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.

(expressed in Canadian dollars, unless otherwise noted)

Aurelius has the right, until May 7, 2023, 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-V 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 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 estimated at 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 profit or loss (Note 13).

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.

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	354,234
	3,032,834
Fair value of assets and liabilities acquired	
Cash	1,005,842
Receivables	382,803
Prepaid expenses	3,775
Deposits	117,185
Property, plant and equipment	1,071,631
Reclamation deposit	1,275,000
Accounts payable and accrued liabilities	(156,402)
Reclamation provision	(667,000)
	3,032,834

(expressed in Canadian dollars, unless otherwise noted)

6. CASH AND CASH EQUIVALENTS

	December 31 2021 $	December 31 2020 $
Cash	**1,329,426**	2,780,376
GIC (fully redeemable)	**-**	550,000
	1,329,426	3,330,376

7. RECEIVABLES

	December 31 2021 $	December 31 2020 $
Input sales tax recoverable	**771,858**	397,536
Other receivables	**30,900**	6,920
	802,758	404,456

8. PROPERTY, PLANT AND EQUIPMENT

	Mill equipment $	**Mobile and infrastructure equipment $**	**Office furniture and equipment $**	**Exploration Equipment $**	**Right of use assets $**	**Total $**
Cost						
Balance – December 31, 2019	-	-	13,611	-	244,117	257,728
Acquisition	952,358	119,273	-	-	-	1,071,631
Additions	-	12,866	-	54,219	246,738	313,823
Balance – December 31, 2020	**952,358**	**132,139**	**13,611**	**54,219**	**490,855**	**1,643,182**
Additions	**-**	**-**	**-**	**19,920**	**372,637**	**392,557**
Balance – December 31, 2021	**952,358**	**132,139**	**13,611**	**74,139**	**863,492**	**2,035,739**
Accumulated depreciation						
Balance – December 31, 2019	-	-	4,064	-	84,502	88,566
Depreciation	-	15,968	3,030	790	134,828	154,616
Balance – December 31, 2020	**-**	**15,968**	**7,094**	**790**	**219,330**	**243,182**
Depreciation	**-**	**20,876**	**2,369**	**10,978**	**190,396**	**224,619**
Balance – December 31, 2021	**-**	**36,844**	**9,463**	**11,768**	**409,726**	**467,801**
Net book value						
At December 31, 2020	952,358	116,171	6,517	53,429	271,525	1,400,000
At December 31, 2021	**952,358**	**95,295**	**4,148**	**62,371**	**453,766**	**1,567,938**

As at December 31, 2021, the mill is not considered available for use and accordingly is not being depreciated.

9. 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.

(expressed in Canadian dollars, unless otherwise noted)

The Company capitalizes mineral property 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 and West, Tangier and Forest Hill properties, in Nova Scotia, Canada.

The capitalized acquisition costs are as follows:

	Mikwam	Lipton	Aureus West	Total
	$	$	$	$
Balance – December 31, 2019	257,500	248,685	-	506,185
Additions	-	30,000	784,515	814,515
Balance – December 31, 2020	**257,500**	**278,685**	**784,515**	**1,320,700**
Additions	-	100,000	-	100,000
Balance – December 31, 2021	**257,500**	**378,685**	**784,515**	**1,420,700**

Mikwam

The Company acquired a 100% interest in Mikwam (subject to certain royalty interests and encumbrances) for aggregate cash payments of $25,000 and 400,000 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 a 2% NSR. The Company must pay $1,000,000 over a ten-year period and issue 50,000 common shares (50,000 issued with an aggregate value of $72,500). The Company has paid $200,000 (initial payment of $10,000 was made August 22, 2016) and the remaining $800,000 is payable in annual cash payments between June 2022 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.

In June 2020, the Company entered into a land access agreement with De Beers Canada Inc. (“De Beers”) which permits De Beers the exclusive right to conduct activities to explore for diamonds on certain of the Lipton claims for one year upon receipt of an initial $20,000 payment to Aurelius, which was received on July 9, 2020. The land access agreement is renewable annually upon receipt of payment of $30,000 from De Beers and was renewed for 2021 for which payment was received subsequent to December 31, 2021.

Aureus East

The Company acquired the Aureus East property on February 27, 2020 (Note 5). The Department of Energy and Mines, Nova Scotia holds a 1% NSR on all gold sales. The property is also subject to a 1% NSR held by Metalla Royalty & Streaming Ltd.

Aureus West

The Company acquired the Aureus West property from Nycon Resources, Inc. on May 5, 2020 for cash consideration of US$500,000 and 200,000 common shares of the Company with a fair value of $50,000 and incurred transaction costs of $32,915. The Department of Energy and Mines, Nova Scotia holds a 1% NSR on all gold sales. The property is also subject to a 2% NSR held by Nycon Resources, Inc. The Company has the option to buy-back one-half of the NSR for US$750,000 and, following exercise of the first buy-back right, has the option to buy-back the second half of the NSR for US$1,000,000.

(expressed in Canadian dollars, unless otherwise noted)

Tangier

The Company acquired the Tangier property on February 27, 2020 (Note 5). 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 $1,000,000.

Forest Hill

The Company acquired a 100% interest in mineral rights to the Forest Hill property on February 27, 2020 (Note 5). 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.

The Company incurred exploration expenditures as follows:

	Mikwam $	Lipton $	Aureus East $	Aureus West $	Tangier $	Forest Hill $	Total $
Land management	4,500	4,875	5,708	-	17,949	-	33,032
Site admin/maintenance	-	-	912,606	193,717	36,778	11,585	1,154,686
Geology	157,257	-	314,699	240,359	70,980	56,458	839,753
Sampling and analysis	-	-	89,660	107,587	-	-	197,247
Drilling	-	-	445,896	541,471	-	-	987,367
Recoveries	-	(20,000)	-	-	-	-	(20,000)
Year ended December 31, 2020	**161,757**	**(15,125)**	**1,768,569**	**1,083,134**	**125,707**	**68,043**	**3,192,085**
Land management	3,188	5,312	6,566	13,600	22,305	13,964	64,935
Site admin/maintenance	10,882	-	1,563,056	62,028	56,844	19,417	1,712,227
Geology	-	-	1,046,706	73,017	133,890	86,159	1,339,772
Geophysics	-	-	24,201	18,151	41,142	37,512	121,006
Sampling and analysis	-	-	406,194	95,543	17,192	14,405	533,334
Drilling	-	-	3,165,637	-	-	-	3,165,637
Recoveries and grants	-	(30,000)	(6,476)	(4,857)	(11,008)	(10,037)	(62,378)
Year ended December 31, 2021	**14,070**	**(24,688)**	**6,205,884**	**257,482**	**260,365**	**161,420**	**6,874,533**

During the year ended December 31, 2021, the Company received $32,378, pursuant to an application made with the Government of Nova Scotia in respect of the Nova Scotia Minerals Resources Development Fund's (MRDF) Shared Funding Exploration Grant for an exploration program carried out by the Company during 2021. The MRDF is designed to assist and support projects in the mining sector that attract investment and grow Nova Scotia's economy and create jobs, especially in rural areas.

During the year ended December 31, 2021, the Company received $30,000 (2020 – $20,000) from De Beers to access the Lipton property.

(expressed in Canadian dollars, unless otherwise noted)

10. DEPOSITS

Reclamation Deposit

The Company assumed reclamation security payments to the Department of Energy and Mines of Nova Scotia related to the Aureus Gold property acquisition (Note 5). The reclamation security deposit totals $1,500,000 as at December 31, 2021.

Deposits

The Company assumed deposits of $117,185 with Nova Scotia Power upon the acquisition of the Aureus Gold properties (Note 5). The deposits were refunded during the year ended December 31, 2021.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2021 $	December 31 2020 $
Trade payables	**755,783**	631,045
Accrued liabilities	**338,673**	364,773
	1,094,456	995,818

12. LEASE LIABILITY

	December 31 2021 $	December 31 2020 $
Current portion of lease liability	**73,061**	119,467
Additions	**121,219**	29,768
Transfer from long-term lease liability	**92,960**	57,943
Lease payments during the period	**(184,923)**	(150,795)
Interest expense on lease liability	**35,498**	16,678
	137,815	73,061
Non-current lease liability	**201,565**	42,540
Additions	**251,420**	216,968
Transfer to current lease liability	**(92,960)**	(57,943)
	360,025	201,565

As at December 31, 2021, the Company is required to pay $186,985 (2020 – $87,964) in undiscounted lease payments within the next twelve months and $265,050 (2020 – $103,881) over the remaining term of the leases for a total of $452,035 (2020 – $191,845).

During the year ended December 31, 2021, the Company renewed its Toronto office lease and recorded a rent recovery of $74,715 (2020 – $65,146) for receipts related to the sub lease arrangement not included in lease liabilities, in profit or loss.

(expressed in Canadian dollars, unless otherwise noted)

13. OBLIGATION UPON ACQUSITION OF AUREUS GOLD

	$
Opening – January 1, 2020	-
Additions (Note 5)	2,678,600
Settlement upon Sprott's participation right	(1,183,426)
Effect of foreign currency changes	(101,500)
Balance – December 31, 2020	**1,393,674**
Settlement upon Sprott's participation right	(82,716)
Effect of foreign currency changes	(9,702)
Balance – December 31, 2021	**1,301,256**

On July 19, 2021, the Company issued 133,191 common shares to Sprott Lending at a price of $0.41 per common share in consideration of a reduction of the First Deferred Payment under the Transaction Agreement (Note 5). $82,716 (US$64,891), being the value of the participation right exercise, was credited towards the First Deferred Payment and reduced the acquisition obligation. The difference between the issue price of the common shares and the fair value of the shares, being the closing price per share on that date of issue, resulted in a $25,306 gain on acquisition obligation settlement.

On November 30, 2020, in connection with a private placement, the Company issued 1,091,640 common shares to Sprott Lending at a price of $0.85 per common share, in connection with the exercise of its participation right to maintain its percentage shareholding of Aurelius under the Transaction Agreement (Note 5). $930,963 (US$715,685), being the value of the participation right exercise, was credited towards the First Deferred Payment and reduced the acquisition obligation.

On October 1, 2020, the Company issued of 312,500 common shares to Sprott Lending at a price of $0.80 per common share in consideration of a reduction of the First Deferred Payment under the Transaction Agreement (Note 5). $252,463 (US$189,950), being the value of the participation right exercise, was credited towards the First Deferred Payment and reduced the acquisition obligation. The difference between the issue price of the common shares and the fair value of the shares, being the closing price per share on that date of issue, resulted in a $31,250 loss on acquisition obligation settlement.

14. CONVERTIBLE NOTE PAYABLE

On December 19, 2019, the Company issued a non-interest bearing unsecured convertible promissory note of the Company to Sprott in the principal amount of $456,200. The Note was convertible at the option of Sprott into common shares of the Company at $0.50 per share (subsequently amended to $0.64 per share). The note was due February 28, 2020 if the acquisition (Note 5) 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 insignificant.

On February 27, 2020, pursuant to the terms of the Note, Aurelius converted the outstanding $456,200 under the convertible note into 712,812 common shares of the Company at a conversion price of $0.64 per common share, concurrent with the closing of the acquisition (Note 5).

15. 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.

(expressed in Canadian dollars, unless otherwise noted)

As at December 31, 2021, the undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs is estimated at $667,000 (2020 - $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 estimated reclamation costs and will re-evaluate the estimated timing and value of outflows annually.

16. RELATED PARTY TRANSACTIONS

Key Management Personnel

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:

	Year ended December 31 2021 $	Year ended December 31 2020 $
Salaries and fees [(1)]	**1,178,084**	910,583
Short-term employment benefits	**6,000**	6,000
Share-based payment	**316,553**	266,654
	1,500,637	1,183,237

[(1)] *A portion of salaries for key management has been recorded in Exploration expenses.*
[(2)] *Included in Salaries and fees in the consolidated statements of loss and comprehensive loss.*

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.

	Year ended December 31 2021 $	Year ended December 31 2020 $
Rent expense (recovery)	**(74,715)**	(65,146)
Office and other expense (recovery)	**(5,724)**	(5,544)
	(80,439)	(70,690)

Included in accounts payable and accrued liabilities at December 31, 2021 is $268,081 (December 31, 2020 – $213,368) due to officers and directors, including the CEO and VP Exploration for expenses and fees of $75,998, and $192,083 for directors' fees.

17. 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.

During the year ended December 31, 2021, the Company consolidated its share capital as described in Note 4.

b) Issued share capital

During the year ended December 31, 2021, the Company issued:

- 2,418,611 flow-through shares at a price of $0.36 per flow-through share for gross proceeds of $870,700 and 963,333 common share units at a price of $0.30 per common share unit for aggregate gross proceeds of $289,000 for aggregate gross proceeds of $1,159,700, on December 15, 2021. Each common share unit consisted of one common share of the Company and one-half of one common share purchase warrant with each whole common share warrant entitling the holder thereof to acquire one common share at a price of $0.40 per common share for a period of twenty-four months following the closing of the offering. Using the residual value approach, proceeds of $67,433 were allocated to the common share purchase warrants. The securities issued will be subject to a statutory four month hold period expiring on April 16, 2022. Cash finders' fees of $49,080 were paid. Sprott exercised its participation right in relation to the offering subsequent to December 31, 2021 (Note 24(a)).

  The subscription agreement for the flow-through common shares requires Aurelius to incur $870,700 of qualifying Canadian Exploration Expenses ("CEE") and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2021. At the time of issuance, the excess price per unit of the flow-through common shares over the fair value price per common share resulted in a flow-through premium liability of $145,117 and reduced share capital by the same amount.

- 133,191 common shares at a fair value of $54,608 to Sprott Lending upon private placements, in connection with the exercise of Sprott's participation right to maintain its percentage shareholding of Aurelius under the Transaction Agreement and was credited towards the First Deferred Payment and reduced the Obligation upon acquisition of Aureus Gold on the consolidated statements of financial position (Note 13), on July 19, 2021.

- 9,393,503 common shares comprised of 3,995,041 common shares of the Company at a price of $0.60 per common share and 5,398,462 flow-through common shares at a price of $0.675 per flow-through common share totaling aggregate gross proceeds of $6,040,987, during May 2021.

  The Company paid cash finders' fees of $237,466 and issued an aggregate of 371,392 compensation warrants, fair valued at $148,968. Each compensation warrant entitles the holder to acquire one common share at a price of $0.60 per common share and expire 18 months following the date of issue. Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. ("Dundee"), a related party, entered into a finders' fee agreements with the Company in respect of the offering. The Company will pay Dundee $166,158 and issue approximately 258,344 compensation warrants valued at $103,624. Total other cash transaction costs were $112,309.

  The subscription agreement for the flow-through common shares requires Aurelius to incur $3,643,962 of qualifying CEE and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2021. At the time of issuance, the excess price per unit of the flow-through common shares over the fair value price per common share resulted in a flow-through premium liability of $404,885 and reduced share capital by the same amount. Pursuant to incurring eligible flow-through expenditures, the flow-through premium liability was reduced by $nil and $404,885 was recognized into income during the year ended December 31, 2021.

- 100 common shares upon the exercise of warrants.

During the year ended December 31, 2020, the Company issued:

- 697,520 common shares upon the exercise of warrants. Cash proceeds of $486,512 were received and the fair value of the exercised warrants of $85,241 was transferred from warrants and reserves to share capital.

- 1,764,700 flow-through common shares at a of $0.85 per flow-through common share for aggregate gross proceeds of $1,499,995. Cash transaction costs related to the offering were $35,215 for regulatory and legal fees.

  The subscription agreement for the flow-through common shares requires Aurelius to incur $1,499,995 of qualifying CEE and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2020. At the time of issuance, the excess price per unit of the flow-through common shares over the fair value price per common share resulted in a $0.30 per share premium, and the Company recorded a flow-through premium liability of $529,410 and reduced share capital by the same amount. Pursuant to incurring eligible flow-through expenditures, the flow-through premium liability was reduced to $nil and $494,116 was recognized into income during the year ended December 31, 2021.

- 1,404,140 common shares at a fair value of $1,209,144 to Sprott Lending upon private placements, in connection with the exercise of Sprott's participation right to maintain its percentage shareholding of Aurelius under the Transaction Agreement and was credited towards the First Deferred Payment and reduced the Obligation upon acquisition of Aureus Gold on the consolidated statements of financial position (Note 13).

- 4,513,000 common share units at a price of $0.50 per common share unit and 3,896,254 flow-through units at a price of $0.55 per flow-through unit for aggregate gross proceeds of $4,399,440, on July 15, 2020. Each common share unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole common share unit warrant entitling the holder thereof to acquire one common share at a price of $0.70 per common share for a period of twenty-four (24) months following the closing of the non-brokered private placement. Each flow-through unit consists of one flow-through share of the Company and one-half of one common share purchase warrant, with each whole flow-through unit warrant entitling the holder thereof to acquire one common share at a price of $0.80 per common share until the warrant expiry on July 15, 2022.

  Dundee, Sprott Capital Partners LP and Laurentian Bank Securities Inc. (together, the "Finders") entered into finders' fee agreements with the Company in respect of the non-brokered private placement. The Company paid the Finders and certain other firms an aggregate of $291,213, being a commission of 7% of the gross proceeds in connection with certain subscriptions under the private placement, and issued an aggregate of 556,822 compensation warrants, equal to 7% of the common share units and flow-through units issued in connection with those subscriptions with a fair value of $441,839. Each compensation warrant entitles the holder to acquire one common share unit at a price of $0.70 until the warrant expiry date. Total other transaction costs were $84,985.

  The subscription agreement for the flow-through shares required Aurelius to incur $2,142,940 of qualifying CEE and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2020. 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 flow-through premium liability of $194,813 and reduced share capital by the same amount. Pursuant to incurring eligible flow-through expenditures during the year ended December 31, 2020, the flow-through premium liability was reduced $nil.

(expressed in Canadian dollars, unless otherwise noted)

- 200,000 common shares of the Company to Nycon Resources, Inc., with a fair value of $50,000, upon acquisition of the Aureus West Project in Nova Scotia on May 5, 2020 (Note 9).

- 2,500,000 common shares on February 27, 2020 at a price of $0.64 per common share pursuant to the closing of the acquisition of Aureus Gold Inc. (Note 5). 712,812 common shares were issued to settle the $456,200 non-interest bearing convertible promissory note advanced to Aurelius by Sprott on an unsecured basis on December 19, 2019 and Sprott Lending subscribed for 1,787,187 common shares on a private placement basis at a price of $0.64 per common share for gross proceeds of $1,143,800 (Note 14).

Flow-through premium liability	**$**
Balance – December 31, 2019	**-**
Flow-through premium liability	724,223
Settlement of flow-through premium to income	(230,107)
Balance – December 31, 2020	**494,116**
Flow-through premium liability – May private placement	404,885
Flow-through premium liability – December private placement	145,117
Settlement of flow-through premium to income	(899,001)
Balance – December 31, 2021	**145,117**

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, 2021, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
260,000	260,000	$ 1.20	July 5, 2022
71,520	71,520	$ 0.80	March 5, 2023
400,000	400,000	$ 0.60	January 23, 2024
569,040	569,040	$ 0.60	May 8, 2025
82,500	82,500	$ 1.00	September 9, 2025
50,000	50,000	$ 1.00	September 23, 2025
1,252,500	1,252,500	$ 0.35	October 19, 2026
200,000	-	$ 0.35	November 1, 2026
2,885,560	**2,685,560**		

Subsequent to December 31, 2021, 50,000 stock options were granted to a director and vested immediately with an exercise price of $0.35 and expire on January 8, 2027.

(expressed in Canadian dollars, unless otherwise noted)

A summary of the Company's stock options for the years ended December 31 follows:

	2021		2020	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of year	**1,551,060**	**0.75**	869,180	0.80
Granted	**1,452,500**	**0.35**	704,040	0.70
Expired/cancelled	**(118,000)**	**0.66**	(22,160)	0.90
Balance, end of year	**2,885,560**	**0.55**	1,551,060	0.75
Options exercisable, end of year	**2,685,560**	**0.55**	1,551,060	0.75

d) Options – Share-based compensation

During the year ended December 31, 2021, the Company granted 1,452,500 (2020 – 704,040) stock options to directors, officers, consultants and employees of the Company, of which 1,252,500 have vested and the remaining 200,000 unvested stock options will vest by one-third every three months, for one year. During the year ended December 31, 2021, the Company recorded stock based compensation expense of $396,483 (2020 – $375,210). The total fair value of unvested options that will be recognized in profit or loss in future periods amounts to $60,348 at December 31, 2021 (2020 – $nil). During the year ended December 31, 2021, 118,000 (2020 – 22,160) stock options were cancelled or expired resulting in the reversal of $57,774 (2020 – $10,941) from reserves to deficit.

The weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2021 were risk-free interest rate of 1.32% (2020 – 0.38%); expected life of options of 5 years (2020 – 5 years); dividend rate of 0% (2020 – 0%); and annualized volatility of 148.1% (2020 – 156.84%).

e) Warrants

As at December 31, 2021, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	**Exercise Price**	**Expiry Date**
2,813,322	$ 0.70	July 15, 2022
1,948,124	$ 0.80	July 15, 2022
315,393	$ 0.60	November 4, 2022
56,000	$ 0.60	November 14, 2022
3,728,043	$ 1.60	December 21, 2022
298,242(1)	$ 0.80	December 21, 2022
481,666	$ 0.40	December 15, 2023
9,640,790		

(1) *Each agent warrant is exercisable to acquire one unit at a price of $0.80 per unit for a period of five years, for a common share and a common share warrant.*

(expressed in Canadian dollars, unless otherwise noted)

Share purchase warrant transactions for the years ended December 31 were as follows:

		2021		2020
	Warrants Outstanding	**Weighted Average Exercise Price**	Warrants Outstanding	Weighted Average Exercise Price
	#	**$**	#	$
Balance, beginning of year	**9,636,631**	**1.06**	7,139,705	1.20
Granted	**853,059**	**0.49**	4,761,446	0.74
Exercised	**(100)**	**0.60**	(697,520)	0.70
Expired	**(848,800)**	**0.60**	(1,567,000)	0.90
Balance, end of year	**9,640,790**	**1.03**	9,636,631	1.06

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended December 31, 2021, include:

a) Recognition of a flow-through premium liability of $550,002 and corresponding recognition into income pursuant to incurring eligible flow-through expenditures.
b) Issuing 133,191 common shares with a fair value of $54,608, reducing the Obligation upon acquisition of Aureus Gold.
c) Issuing 371,393 broker warrants with a fair value of $148,968 as finders' compensation in relation to the May 2021 private placement.
d) Recognition of an additional right of use asset of $372,637 and corresponding lease liabilities.
e) Recording a gain on the partial settled in the future contingent liability upon acquisition of Aureus Gold of $25,306 and corresponding foreign currency gain of $9,702 upon conversion as at and for the year ended December 31, 2021 foreign exchange rates.
f) Reversing reserves of $57,774 to deficit relating to cancelled or expired options.
g) Transferring reserves of $158,723 to share capital relating to expired warrants.

Significant non-cash transactions during the year ended December 31, 2020 include:

a) Issuing 5,568,220 broker warrants with a fair value of $441,839 as finders' compensation in relation to the July 2020 private placement.
b) Recognition of a flow-through premium liability of $194,813 and corresponding recognition into income pursuant to incurring eligible flow-through expenditures.
c) Issuing 2,000,000 common shares with a fair value of $50,000 upon acquisition of the Aureus West mineral property.
d) 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.
e) Recognition of an additional right of use asset of $246,737 and corresponding lease liabilities.
f) Acquisition costs of $16,210 included in accounts payable and accrued liabilities.
g) 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 gain of $101,500 upon conversion as at and for the year ended December 31, 2020 foreign exchange rates.
h) Allocating $1,049,868 to property, plant and equipment upon acquisition of Aureus Gold.
i) Reversing reserves of $10,941 to deficit relating to cancelled or expired options.
j) Transferring reserves of $86,000 to share capital relating to expired warrants.

(expressed in Canadian dollars, unless otherwise noted)

During the year ended December 31, 2021, the Company received interest of $5,537 (2020 – $nil), relating to the return of the Nova Scotia Power deposits. There were no cash inflows or outflows relating to income taxes.

19. INCOME TAXES

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

	2021	2020
	$	$
Loss before income taxes	**(8,081,318)**	(4,495,667)
Income tax (recovery) expense	**(2,182,000)**	(1,214,000)
Changes in statutory tax rates and other	**-**	(11,000)
Permanent differences	**179,000**	172,000
Impact of flow-through shares	**1,362,000**	606,000
Impact of acquisition of Aureus Gold Inc.	**-**	(867,000)
Share issue cost	**(118,000)**	(111,000)
Adjustment to prior years provision versus statutory tax returns	**43,000**	84,000
Changes in unrecognized deductible temporary differences	**716,000**	1,341,000
Income tax (expense) recovery	**-**	-

The significant components of the Company's deferred tax assets that have not been included on the consolidated statements of financial position are as follows:

	2021	2020
	$	$
Deferred tax assets (liabilities)		
Exploration and evaluation assets	**1,272,000**	838,000
Property and equipment	**44,000**	2,000
Asset retirement obligation	**180,000**	180,000
Share issue costs	**171,000**	122,000
Allowable capital losses	**217,000**	221,000
Non-capital losses available for future periods	**2,098,000**	1,903,000
	3,982,000	3,266,000
Unrecognized deferred tax assets	**(3,982,000)**	(3,266,000)
Net deferred tax assets	**-**	-

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

	2021		2020
	$	**Expiry dates**	$
Property and equipment	**165,000**	no expiry date	7,000
Mineral properties	**4,710,000**	no expiry date	3,104,000
Asset retirement obligation	**667,000**	no expiry date	667,000
Allowable capital losses	**804,000**	no expiry date	804,000
Non-capital losses available for future periods	**7,768,000**	2024 to 2041	7,049,000
Share issue costs	**635,000**	2022 to 2025	452,000

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

20. SEGMENTED INFORMATION

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

21. 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, deposits, accounts payable and accrued liabilities, lease liability and acquisition obligation. Cash and cash equivalents is measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables, deposits, accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments. The carrying value of the lease liability approximates its fair value as it bears interest that approximates market rates. The contingent obligation is measured based on Level 3 inputs and changes in its fair value are recorded in profit or 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 December 31, 2021. 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, 2021, the Company had cash and cash equivalents totalling $1,329,426 (2020 – $3,330,376) to settle current liabilities of $1,377,388 (2020 – $1,562,995). Subsequent to December 31, 2021, the Company received an input sales tax cash refund of $739,548 and completed a private place financing for gross proceeds of $1,560,005 (Note 24(b)). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at December 31, 2021, 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.

22. 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 year ended December 31, 2021 compared to the previous year. The Company is not subject to externally imposed capital requirements.

As at December 31, 2021, the Company is obligated to incur $870,670 of qualifying flow-through expenditures prior to December 31, 2022.

24. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2021, in connection with the December 2021 private placement, Aurelius issued 423,090 common shares at a price of $0.30 per share to Sprott Lending in connection with the exercise of its participation right to maintain its percentage shareholding of Aurelius. $127,927 (US$98,445), being the value of the participation right exercise will be credited towards the First Deferred Payment in connection with the acquisition of the Aureus Gold assets.

b) Subsequent to December 31, 2021, the Company closed a private placement financing in three tranches on March 30, April 4 and April 12, 2022 through the issuance of 3,030,311 flow-through units at a price of $0.33 per flow-through unit for gross proceeds of $1,000,003 and 1,866,673 common share units at a price of $0.30 per common share unit for aggregate gross proceeds of $560,002 for aggregate gross proceeds of $1,560,005. Each flow-through unit and common share unit consisted of one flow-through share and one common share, respectively, of the Company and one-half of one common share purchase warrant with each whole common share warrant entitling the holder thereof to acquire one common share at a price of $0.40 per common share for a period of twenty-four months following the closing of the offering. The Company paid cash commission of $5,400 and 18,000 broker warrants exercisable into common shares of the Corporation at a price of $0.30 per share for a period of twenty-four months following closing.

The subscription agreement for the flow-through common shares requires Aurelius to incur $1,000,003 of qualifying Canadian Exploration Expenses ("CEE") and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2022.