



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

This Management's Discussion and Analysis ("MD&A") is current to May 27, 2022 (the "Report Date") and is management's assessment of the operations and the financial results together with future prospects of Aurelius Minerals Inc. and its subsidiary ("Aurelius", or the "Company") and compares the financial results for the three month periods ended March 31, 2022 and 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three periods ended March 31, 2022 and 2021 and the audited financial statements and accompanying notes for the years ended December 31, 2021 and 2020. The financial information contained in this MD&A and in the unaudited interim consolidated financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The Company's accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and follow the same accounting policies and methods as presented in note 3 to the Company's audited financial statements for the year ended December 31, 2021. All amounts presented are in Canadian Dollars unless otherwise stated. This discussion contains forward-looking statements that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Aurelius' future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to the Company's activities, including the Company's audited financial statements, can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.aureliusminerals.com](http://www.aureliusminerals.com).

The Company was incorporated under the Business Corporations Act (British Columbia) on April 5, 2007. The Company's registered and records office is 2500 – 700 West Georgia Street, Vancouver, BC, Canada V7Y 1B3. The Company also maintains an office at 1900 – 110 Yonge Street, Toronto, ON, Canada M5C 1T4. The Company's shares trade on the TSX Venture Exchange (the "TSXV") under the symbol **AUL** and the OTCQB in the United States under the symbol **AURQF**.

### QUARTERLY AND RECENT HIGHLIGHTS

- Announced completion of a maiden Mineral Resource estimate on the Aureus East Project effective May 20, 2022 (see Aureus East Maiden Mineral Resource Estimate below).
- On April 12, 2022, the Company completed the final tranche of a non-brokered private placement offering, and issued in aggregate, 1,866,673 common share units at a price of \$0.30 and 3,030,311 flow-through units at a price of \$0.33 for aggregate gross proceeds of \$1,560,005.
- Continued to take a systematic approach to exploration at its projects, completing drill and other geological programs to effectively define new targets and expand the gold mineralization at the Aureus Gold projects.
- Initiated channel sampling and mapping program in early 2022 in the underground drifts at Aureus East, where saddle reefs are exposed with the goal of identifying continuous mineralization directly adjacent to the existing underground development infrastructure and announced high grade results in significant gold mineralization. Based on the early success, this program has been expanded and continues.

### COMPANY OVERVIEW

Aurelius is a gold exploration company with exploration properties in Ontario and Nova Scotia, Canada. During the first half of 2020, Aurelius acquired Aureus Gold Inc. and the Aureus West property and now holds a 100% interest in the Aureus Gold Properties, including Aureus East Gold Project, Aureus West Gold Project, the Tangier Gold Project and the Forest Hill Gold Project located in Nova Scotia. The Aureus East Gold Project includes a mill and tailings management facility. The Company also holds the Mikwam and Lipton properties within the prolific Abitibi Gold Belt in Ontario.

The Company commenced its 2020 exploration campaign at its wholly owned Aureus Gold Properties in Nova Scotia with an initial geological compilation program and the mobilization of the exploration team at the Aureus East project combined with the advancement of the first drilling program in August 2020. The Phase One 10,000m drill program at the Aureus East and West gold projects in Nova Scotia was completed in February 2021, while the Company continued compilation and targeting work at the Tangier and Forest Hills projects. The final Aureus West results were announced in a press release on May 20, 2021 and the final Aureus East results were announced in a press release on June 24, 2021 and the program is discussed below under "Aureus Gold Project". The 2021 Phase Two 12,821m drilling program at the Aureus East Project used two rigs with the objective to define a new gold



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

Mineral Resource estimate. The program comprised 4,169m drilled from underground and 8,652m from surface, and was completed in late 2021 with 100% of the Phase Two drill holes successfully intersecting gold mineralization. The program expanded gold mineralization along strike, in width, at depth and remains open in all directions.

In July 2021, the Company completed two advanced exploration programs at its Aureus Gold Properties. The first program was a HeliGT magnetic airborne geophysical survey across the entire property package to identify new gold trends and essential structural controls on the gold mineralization. The second was a high precision borehole Optical Televiwer program at the Aureus East and West projects. The Televiwer survey is designed to map out key structures and contacts at the deposit scale and assist in expanding and defining gold zones.

The high-resolution HeliGT survey is the first to be flown along the gold-rich Meguma formation. Magnetic minerals associated with gold and concentrated around the anticline features make this survey an effective tool for regional exploration. The high-resolution quality of the survey will reveal details, including subtle but essential structures which cross-cut and influence the gold trends. The survey covered 1,130 line kilometres with line spacing at 75 metres in three distinct blocks; one over the Aureus East and West projects, one over the Tangier project and the third over the Forest Hill project. The HeliGT system is designed to read natural magnetic fields in the underlying rocks using a 3-axis gradiometer system and provides a very high-resolution view of the regional geology and gold mineralization trends.

The Optical Televiwer program employs a downhole probe to capture detailed photographs and record key structural measurements in drill holes on the Aureus East and West properties. The structural measurements enhance the interpretation of the geology, refining drill hole targeting and ensuring highly accurate results.

In response to the global health risks resulting from the COVID-19 pandemic, the Company introduced a number of measures to protect employees, their families and the Company's communities. The health and wellbeing of the Company's workforce and the communities in which it operates is Aurelius' top priority. The Company implemented health and safety protocols including remote work wherever possible, self assessment of COVID-19 symptoms, rapid testing, enhanced cleaning and hygiene practices, physical distancing of workers, the increased reliance on technology such as hosting virtual meetings and time off for vaccination. The Company continues to monitor the situation.

At the Mikwam property, the Company completed its Phase Three drilling program in May 2019 and its Phase Two exploration drilling program in October 2018 following successful completion of its first exploration drilling programs on the Mikwam and Lipton properties during fiscal year 2018.

The first three drilling campaigns at the Mikwam property have (1) defined gold mineralization along 3km of strike length on the property and a higher-grade gold zone within the deposit at a structural hinge, while continuing to grow the footprint and volume of the mineralization; (2) extended the gold mineralization from the bedrock-overburden contact to a depth of approximately 400m below surface and along strike extending over 250m on the original deposit; and (3) identified a Z-shape fold hinge which results in wider intervals (over 20m wide) and higher gold grades in the western portion of the deposit.

Aurelius' ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to identify and acquire promising mineral properties and conduct future exploration work on them, to fund its corporate overhead and commitments and to discharge its liabilities as they come due.

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 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



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

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.

The Company is evaluating various opportunities for additional financing and intends to raise further funding pursuant to the completion of the Mineral Resource estimate on the Aureus East Project.

### 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 this MD&A 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 this MD&A has been restated to be presented giving effect to this share consolidation impact. No further action is required to be taken by a warrant holder in respect of the consolidation or the adjustment to the terms of the warrants.

### AUREUS EAST MAIDEN MINERAL RESOURCE ESTIMATE

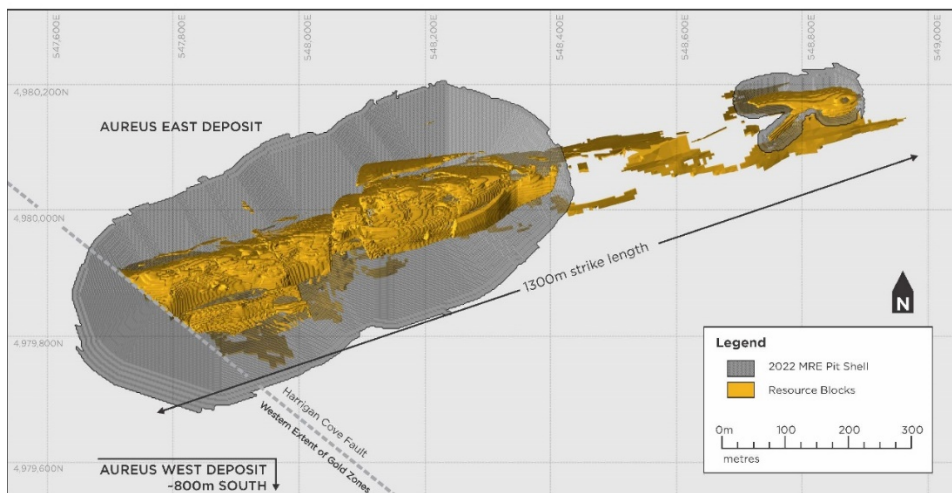
On May 26, 2022, the Company announced its maiden Mineral Resource Estimate (“MRE”) for the 100% owned Aureus East Gold Project, with 162,700 ounces (“oz”) Indicated gold (“Au”) and 387,600 oz Inferred Au contained in the consolidated MRE. The MRE for the Aureus East Project was completed in accordance with National Instrument 43-101 (“NI 43-101”) standards for disclosure and the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) and has an effective date of May 20, 2022. A technical report is being prepared in accordance with NI-43-101 and will be available on the Company’s website and SEDAR within 45 days. The MRE includes both pit constrained and underground constrained resources and the total combined resources include:

Type	Cut-off (Au g/t)	Category	Tonnes ('000s)	Au g/t	Contained Oz Au ('000s)
Pit Constrained	0.44	Indicated	654	3.71	78.0
		Inferred	2,557	1.79	147.2
Underground Constrained	2.40	Indicated	332	7.94	84.7
		Inferred	1,628	4.59	240.4
Combined	0.44/ 2.40	Indicated	985	5.14	162.7
		Inferred	4,185	2.88	387.6

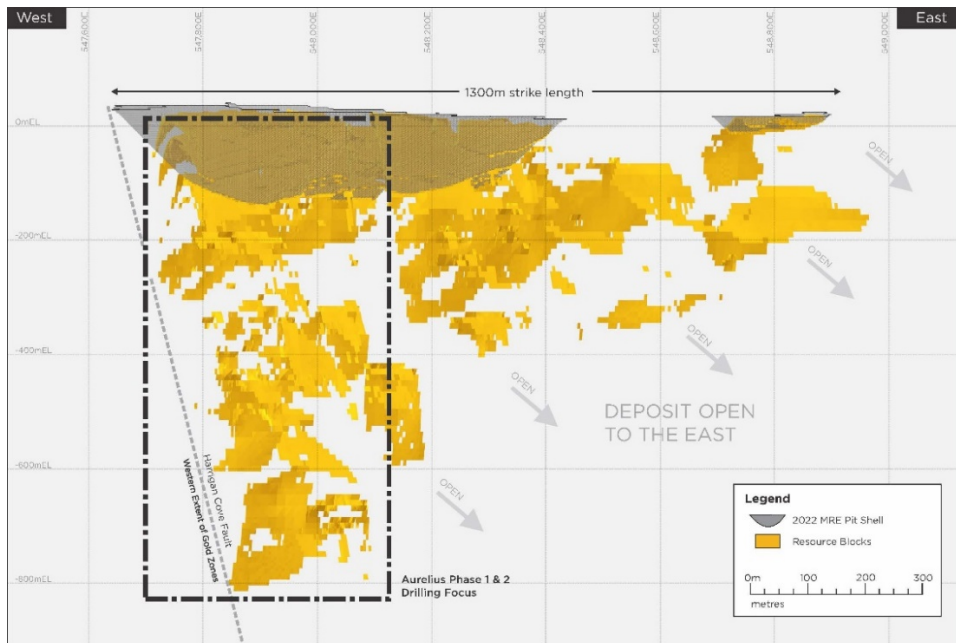
1. Mineral resources were prepared in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (MRMR) (2014) and CIM MRMR Best Practice Guidelines (2019).
2. Mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
3. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
4. Mineral resource tonnages are rounded to the nearest 1,000. All figures are rounded to reflect the relative accuracy of the

**MANAGEMENT’S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

- estimates and totals may not add correctly. Au ounces reported are troy ounces.*
5. *Density was determined from measurements on 245 drill core samples. The density of background sediments was determined to be 2.72 t/m<sup>3</sup>; the density of the mineralized zones was determined to be 2.77 t/m<sup>3</sup>.*
  6. *Au g/t deposit grade was estimated using Inverse Distance Squared methods based on 1 m downhole assay composites. Capping was applied variably to each wireframe based on the distribution of assays; of the 39,831 assays, 243 were capped (0.6%). This was implemented to prevent the overestimation of grade. The parent model block size used was 2 m (x) by 2 m (y) by 2 m (z) with minimum sub-celling of 0.67 m (x) by 0.67 m (y) by variable (z). The model was regularized to 2 m (x) by 2 m (y) by 4 m (z) for pit optimization.*
  7. *Pit constrained mineral resources were defined within an optimized pit shell with average pit slope angles of 45° in rock and 25° in overburden, and a 13.1 strip ratio (waste material: mineralized material).*
  8. *Pit optimization parameters include: metal pricing at US\$1,700/oz Au; exchange rate of C\$1.33/US\$1.00; transportation and refinery charges of C\$5.00/oz Au; 99.95% Au payable; 2.0% combined royalty charges; mining cost of C\$5.25/t; processing plus general and administration cost of C\$30.00/t processed; and a Au recovery of 96%.*
  9. *Pit constrained mineral resources are reported at a cut-off grade of 0.44 g/t Au within the 100% revenue factor optimized pit shell. The cut-off grade reflects the marginal cut-off grade used in pit optimization to define reasonable prospects for eventual economic extraction by open pit methods. Pit constrained mineral resources are reported from the model regularized to 2 m (x) by 2 m (y) by 4 m (z) to include must take blocks.*
  10. *Underground minable shape optimization parameters include: metal pricing at US\$1,700/oz Au; exchange rate of C\$1.33/US\$1.00; transportation and refinery charges of C\$5.00/oz Au; 99.95% Au payable; 2.0 % combined royalty charges; mining cost of C\$125.00/t; processing plus general and administration cost of C\$40.00/t processed; and a Au recovery of 97%.*
  11. *Underground constrained mineral resources are reported at a cut-off grade of 2.40 g/t Au. The cut-off grade reflects total operating costs to define reasonable prospects for eventual economic extraction by conventional underground mining methods. All material within minable shape optimization wireframes has been included in the mineral resource to include must take blocks.*
  12. *The MRE was prepared by Christian Ballard, P.Geo., of Nordmin Engineering Ltd., who is the Qualified Person as defined by NI 43-101 and is independent of Aurelius Minerals Inc. and Aureus Gold Inc.*



**Figure 1. Plan View of Pit Constrained Resources at Aureus East**



**Figure 2. Long-section View of Underground Constrained Resources at Aureus East**

### Geology and mineralization

The Aureus East deposit lies within the Meguma Terrane, the most southerly zone of the Canadian Appalachian province. The Meguma is historically associated with gold mineralization and mining in Nova Scotia, with a history of over 160 years of mining and exploration. The Meguma consists of a thick sequence of lower Paleozoic metasediments intruded by Devonian granitoid plutons. The metasediments are divided into two formations: the Goldenville Formation and the Halifax Formation.

The Aureus East deposit lies within an anticline hosted by the Goldenville Formation. The deposit occurs in a series of tight chevron-style fold-hosted quartz “saddles”. The hinge zone of the fold is typically a rounded arc-shaped structure of 5-10m and the “limbs” are typically more uniform and straight. These quartz horizons occur parallel to stratigraphy which consists of interbedded greywacke and argillite sequences. The deposit is regionally offset by the Harrigan Cove Fault on the Western margin, which has approximately 1.5km of strike-slip offset, and unknown (but significant) dip-slip displacement. The deposit itself also has lesser internal offsets (on the scale of 5-20m) with sinistral, east-side-down displacement. Four such faults have been incorporated into the resource model.

Gold mineralization is associated with the quartz saddles and limbs but is not restricted to only the quartz veins. In addition, numerous generations of quartz exist at the deposit, including parallel to the offset faulting as well as parallel to the fold compression (cleavage), which can also host gold mineralization. Resource modelling was domained through 230 wireframes designed to represent the quartz saddle/limb horizons hosting gold mineralization. These wireframes were separated into five fault blocks as dictated by the four offsetting faults within the deposit. Each wireframe was estimated individually. In addition, background wireframes were created for each fault block, which fully encompassed all mineralization wireframes within the fault block and were clipped to overburden and topography. An estimation was run on the background mineralization, that is, all the gold mineralization which was not able to be attributed to a mineralization wireframe. Wireframes which did not contain enough composites to be estimated, were returned to the background for estimation.

Mr. Christian Ballard, P.Geo., of Nordmin Engineering Ltd., is the Qualified Person for this MD&A disclosure related to the MRE, as defined by NI 43-101, and has reviewed and approved the related technical information.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

### OUTLOOK

The Company completed a non-brokered private placement in April 2022 and is using the majority of the proceeds to complete the updated Mineral Resource estimate, continue exploration on the Aureus Gold projects and for general corporate and working capital purposes. The Company maintains a presence in Ontario and will conduct activities on both the Mikwam and Lipton properties as financing permits.

The system of multiple gold zones at Aureus East is east-west trending and occurs within stacked, folded sedimentary mudstones and sandstones. The gold zones have a gentle plunge towards the east. To date Aurelius has been focused on the western portion of the system near the underground openings to enhance the interpretation of the system and improve the targeting as it steps out along the trend. However future phases of drilling are planned to target the gold mineralization along trend towards the east which has been identified in historical drillholes over 1km east of the current drilling and is interpreted to continue even further.

The Company intends to build on the success of the MRE by focusing the next phases of drilling on high grade target zones in an effort to increase the resource estimate in the near term and advance the project towards a Preliminary Economic Assessment study. Aureus East remains open at depth and most of the drilling to date has focused on the first 500m of strike from the western limit of the deposit. As a result, most of the deposit is underexplored at this stage. The zones identified so far appear to continue for at least 1,600m, representing a strong opportunity to follow them to the east and at depth.

The Company continues to progress its 2022 channel sampling and mapping program in the underground drifts at the Aureus East project, where saddle reefs are exposed with the goal of identifying continuous mineralization directly adjacent to the existing underground development infrastructure and announced high grade results in significant gold mineralization during the first quarter of 2022 (see April 28, 2022 press release). Building on the positive results seen to date, the channel sampling program will be expanded to other areas and will continue to build a database that supports the gold mineral resources at the project.

Building on the success of the sampling campaign of historical core from Forest Hill and Tangier, the Company is planning an expanded campaign to comprehensively sample and relog all available holes from the projects. Pending available financing, the Company also intends to initiate Phase Three drilling at Aureus East, as well as a Phase Two program at Aureus West and Phase One programs at Forest Hill and Tangier over the course of 2022.

The next phase of diamond drilling at Aureus West will focus on defining the higher-grade gold domains which are hosted within wide lower grade zones. The drilling will aim to expand the mineralized envelope along strike and down to a depth of 300m from surface while systematically testing the deeper extents of the gold mineralization within this extensive system. Data compilation and preliminary ground exploration suggests the presence of parallel gold systems to the south. The exploration team will also develop targets to the north of the Aureus West deposit, towards the Aureus East project and will also look to identify new gold mineralization and to close the 800m gap between the two gold systems.

### AUREUS GOLD ACQUISITION

On February 27, 2020, 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 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. On May 7, 2020, Aurelius completed the acquisition of the Aureus West property for (i) US\$500,000



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

upon closing; (ii) a 2% net smelter return royalty with respect to production from Aureus West; and (iii) 2,000,000 Aurelius Shares.

Subject to the terms of the Transaction Agreement, Aurelius acquired the Aureus Gold Properties in consideration for the Deferred Payments, payable as follows: (a) US\$2,500,000 within 90 days after filing a 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 acquisition by Aurelius.

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 TSXV 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.

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 shares back to Sprott Lending, the contingent consideration to acquire Aureus Gold was valued at US\$2,000,000 and recorded as a liability in the statement of operations. 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. Transaction costs for the Acquisition were \$354,234.

On February 7, 2022, 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. \$124,719 (US\$98,445), being the value of the participation right exercise will be credited towards the First Deferred Payment.

On July 19, 2021, November 30, 2020 and October 1, 2020, the Company issued an aggregate of 14,174,595 common shares to Sprott Lending to reduce the First Deferred Payment under the Transaction Agreement, in connection with the private placement financings. In total, \$1,266,142 (US\$970,526), being the aggregate value of the participation right exercises, was credited towards the First Deferred Payment and reduced the contingent obligation upon acquisition of Aureus Gold (see Obligation upon acquisition of Aureus Gold Inc.).

Pursuant to the Transaction Agreement, until such time as Sprott's basic ownership interest in Aurelius falls below 9.9%, Sprott is entitled to nominate two directors to the board of Aurelius (the "Board"), one of which is to be independent. The Transaction Agreement also provides (A) that the total number of directors on the Board will not exceed five without Sprott's prior written consent, (B) if Aurelius proposes to complete an offering of equity securities or securities convertible into equity securities, whether pursuant to a public offering, a private placement or otherwise (an "Equity Financing"), Sprott has the right to participate at the same subscription price and on terms no less favourable to Sprott than those provided under any such Equity Financing to maintain the same basic



## **MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

---

ownership percentage it had immediately prior to the Equity Financing, and (C) Sprott is entitled to a “catch-up right” in the event Aurelius issues Aurelius Shares (i) for compensatory purposes to employees, directors or officers; (ii) the exercise or conversion of exercisable or convertible securities; or (iii) as partial or total consideration in exchange for mining or other properties in a bona fide transaction with arm’s length sellers which cumulatively dilute the basic ownership interest of Sprott and its affiliates by at least 3%.

The Transaction Agreement also provides that upon the sale or other transfer of all or substantially all the consolidated assets of Aurelius other than in connection with an internal reorganization; or the completion of an amalgamation, arrangement, merger or other consolidation or combination involving Aurelius such that immediately following such event (i) shareholders of Aurelius immediately prior to the event would not beneficially own, or exercise control or direction over, voting securities carrying the right to cast more than 50% of the votes attaching to all voting securities of the successor or continuing corporation or entity, or (ii) the directors of Aurelius would not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity, such events being defined as a “Change of Control”; the balance of the Deferred Payments, after accounting for any deductions would become immediately due and payable.

In the event of a Change of Control where the Aurelius equity holders receive consideration for their Aurelius Shares, the Deferred Payments are required to be satisfied on the same basis, except that any non-cash component is limited so that Sprott’s basic ownership interest of the successor or continuing corporation or entity would not exceed 19.9% (with any balance remaining payable in cash).

Upon the occurrence of a Change of Control, Sprott is entitled to an immediate cash incentive payment equal to 10% of the proceeds payable to any equity holders of Aurelius in addition to the balance of the Deferred Payments described above. Aurelius is entitled, for a period of three (3) years from the closing of the Acquisition, to extinguish the incentive payment for US\$1,000,000 payable in cash.

### **AUREUS GOLD PROPERTIES**

#### **AUREUS GOLD PROJECT**

The Aureus Gold Project covers 1,684 hectares in 104 mineral claims and includes the Aureus East and Aureus West gold projects. The gold-bearing vein system at the Aureus Gold Project has been defined by diamond drilling over a strike length of 3.2km and to a depth of approximately 900m, with at least 30 different east-west trending “saddle reef” quartz vein structures recognized each with free-milling gold. The stacked gold reefs are open at depth and extend along trend for over 3.2km within the Aureus East and West projects, with additional strike length up to a total of 11km of strike length.

The Department of Energy and Mines, Nova Scotia holds a 1% net smelter return royalty (“NSR”) on all gold sales. The Aureus East Gold Project is also subject to a NSR royalty of 1% held by Metalla Royalty & Streaming Ltd.

The Aureus West Gold Project was purchased on May 5, 2020 from Nycon Resources, Inc. for cash consideration of US\$500,000 and 2,000,000 common shares of the Company and incurred transaction costs of \$32,915. The Department of Energy and Mines, Nova Scotia holds a 1% NSR on all gold sales. The Aureus West Property is also subject to a NSR royalty of 2% held by Nycon Resources, Inc. The Company has the option to buy-back one-half of the NSR for US\$750,000, and having exercised the first buy-back right, has the option to buy-back the second half of the NSR for US\$1,000,000.

The high-grade Aureus East Gold Project and mill in Nova Scotia completed most recent gold extraction from test milling of a bulk sample in March 2017. Underground development completed to date has extended to approximately 600m in length along strike and to a depth of only 150m. The underground workings are on care and maintenance to be accessible for ongoing exploration drilling.





## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

As discussed above, the Company has completed an MRE for Aureus East Gold Project in accordance with NI 43-101 standards for disclosure and the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) with an effective date of May 20, 2022. A technical report is being prepared in accordance with NI-43-101 and will be available on the Company's website and SEDAR within 45 days of the effective date of the MRE.

Until the new technical report has been filed, a technical report with an effective date of June 1, 2020 is filed on SEDAR under the Company's profile, entitled "Aureus East Gold Property Technical Report", by Mr. G. Z. Mosher, P.Geo, M.Sc., Global Mineral Resource Services that provides additional information with respect to the Aureus East Gold Project.

The Phase One program at the Aureus East Gold Project comprised 12 underground drill holes of approximately 4,725m total drilling and nine surface holes of approximately 3,000m, for a total combined drilling of approximately 7,725m.

The Aureus East Phase One drilling has:

- Confirmed a significant gold system on the property, tripling the depth and identifying over 30 discreet gold horizons to below 900m;
- Identified gold in sediment hosting wall rocks around the veins, traditionally viewed as non-mineral bearing, resulting in broader and more extensive gold zones than previously modelled;
- Identified longer, more extensive limbs than traditionally modelled, which provides a new target area for additional growth;
  - Southern limbs confirmed to be at least 100m long; previously believed to only extend ~10-15m);
  - Width of the gold system is now at least 200m across strike (building volume);
  - Isolated historical hits confirmed and now incorporated into southern leg model with much greater continuity and extension of legs than previously interpreted; and
  - Drilling has started to intersect gold in under-drilled northern limbs.
- Hole AE-20-007 encountered 0.5m at 21 g/t Au in the floor below underground drill Pad 2 (April 6, 2021 Press Release) and at least eight high grade zones including:
  - 2m @ 132.4 g/t Au
  - 32m @ 2.91 g/t Au (new zone @ 245m below the drift)
    - including 0.6m @ 55.8 g/t Au
    - and 0.8m @ 22.6 g/t Au
    - and 1.0m @ 21.8 g/t Au
- AE-21-011 intersected (April 12, 2021 Press Release)
  - 3.0m @ 17.4 g/t Au (Zone 9)
    - including 1.0m @ 43.3 g/t Au
  - 14.2m @ 5.32 g/t Au (Zone 10)
- AE-21-013 intersected
  - 2.9m @ 13.3 g/t Au (Zone 9)
    - including 1.0 m @ 28.6 g/t Au
  - 2.7m @ 15.1 g/t Au (Zone 10)
    - including 1.0m @ 39.7 g/t Au
- AE-21-015 intersected
  - 5.7m @ 9.42 g/t Au (Zone 9)
    - including 1.7m @ 28.8 g/t Au (Zone 9)
- ZONE 9, newly discovered:
  - Intersected 10 times during Phase One (nine times underground and one time from surface);
  - five intervals above 25 g/t Au (including two samples greater than 120 g/t Au) and two more intervals above 9 g/t Au;
  - During Phase One ZONE 9 was intersected over an 80m strike length.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

- Extensive Au mineralization adjacent to underground development demonstrates significant opportunities for the Company as we identified an under-drilled, under-assayed and misunderstood asset, encountering:
  - Au in the floor of the drift at Pad 2;
  - Multiple new high-grade zones have been identified including Zones 9 and 10; and
  - Existing underground development didn't not excavate, and appears to "miss", significant Au hits identified in historical drilling database.

Several important aspects of the Aureus East gold zones have been identified in the drilling to date:

- High grade gold mineralization tends to be more abundant in the southern portion of the fold and extends into the southern legs;
- The folds are widening at depth which results in potentially larger zones and horizons and a larger gold mineralized envelope;
- There are at least 10 distinct horizons with gold assays greater than 10 g/t longer than 1m; and
- Mapping the geometry of the horizons in detail on this section improves future exploration targeting to expand horizons.

The 2021 Phase Two 12,821m drilling program at the Aureus East Project was completed in late 2021 and 100% of the drill holes successfully intersected gold mineralization and expanded gold mineralization along strike, in width and at depth and remains open in all directions. The drilling aimed to define the mineralized envelope along strike and down to a depth of up to 500m from surface while refining the understanding of the mineralization to the east of the underground workings. Data compilation and Phase One drilling suggests the presence of near surface gold mineralization to the south which the Company confirmed during the Phase Two campaign.

The package of multiple gold zones at Aureus East is east-west trending and occurs within stacked, folded sedimentary mudstones and sandstones. The gold zones have a gentle plunge towards the east. The near-surface zones have been intersected in historical drilling along the trend at least 1km to the east. Aurelius has been focused on the western portion of the system near the underground openings to enhance the interpretation of the system and improve the targeting as it steps out along the trend.

The challenges of intersecting the saddles and limbs of the system are greatly influenced by the positions of the drills, which are sometimes limited by existing infrastructure, geographical placement and other logistical issues, however, to date, every drill hole has intersected mineralization. The veins are sub horizontal and shallow dipping toward the east. Mineralization has been traced to over 1.6km along strike to the east and remains open in all directions notably at depth. Company practice is to sample the complete drill hole as the Company looks to identify mineralization in both the quartz veins and the traditionally, unsampled, sediment horizons. This is a direct result of the information obtained in sampling and assaying the historical unsampled core identified at site.

Drilling continued at Aureus East with two drill rigs. By drilling the under-explored limbs with surface rigs, the Company plans to add volume to the gold system, while the underground rig continues to expand the hinge and find new zones at depth. The surface drilling component of the Phase Two exploration program is targeting overlooked gold horizons and the extensions into the north and south limbs. In Phase One, the limbs of the gold horizons were identified as an important growth opportunity. The limbs, historically interpreted to extend approximately 10-15m beyond the hinges, appear to be substantially longer, and now appear to extend beyond 100m in length, are steeply dipping and follow the folded host rocks. The gold horizons are stacked and generally thicker in the fold nose or hinge, however the limbs offer a new opportunity to expand the width of the gold system and the volume of material to be considered in future Mineral Resource estimates. The Aureus East gold mineralization outcrops and extends to beyond 900m below surface. Aureus East contains a 4km structural trend, where the Company has confirmed 1.6km of gold mineralization. Within that trend, Phase One and Two drilling concentrated on the first 500m of strike length with focus on an updated Mineral Resource estimate.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

Channel sampling programs at Aureus East, initiated in early 2022, have been completed in three underground areas, with results justifying a continued channel sampling program throughout the existing underground development and infrastructure. The current sampling program supports the ongoing Mineral Resource estimate work and enhances the expanding interpretation of the project's geology.

During the Aureus West Gold Project Phase One drilling program which commenced in September 2020, all holes intersected significant gold mineralization near surface and new gold horizons were identified to a depth of 504m below surface. The drilling identified mineralization both above, and well below, the existing inferred mineral resource which extends to a depth of approximately 150m. The Aureus West Gold Project is located approximately 1km south of the Aureus East Gold Project. Ten holes were completed, totaling 4,665m, in the 2020 drilling program. On May 20, 2021, the Company announced the final assay results to complete the Phase One drilling program. The results from the Phase One drilling demonstrate the presence of a well mineralized system, identifying mineralization both above the existing resource, and substantially expanding the mineralization below the existing resource, to a depth beyond 500m.

The Aureus West Phase One drilling has:

- Established mineralization outside of the current inferred mineral resource along strike and at depth;
- The gold system, at surface, is open in both directions along approximately 6km of strike, from the Harrigan Cove fault in the east, to historical trenching evidencing visible gold, located 5.4km to the west from the 2020 drill program; and
- The system has been proven to a depth of over 500m and greater than 100m wide and remains open in all directions.

Individual drill core samples are labeled, placed in plastic sample bags and sealed. Groups of samples are then placed into durable rice bags and then shipped by courier for analyses to ALS Geochemistry, Moncton, New Brunswick. Sample preparation occurs at ALS in Moncton where samples are weighed, dried, crushing one kilogram to 70 percent less than two millimeters and then pulverized to create a one-kilogram sample with 85 percent less than seventy-five microns. Potential high-grade gold samples are sent for metallic screen fire assay and remaining material is assayed for 50-gram fire assay and samples grading more than 10 parts per million have a gravimetric finish performed. The remaining coarse reject portions of the samples remain in storage if further work or verification is needed. The Company inserted control samples (accredited gold standards, blanks and duplicates) at least every 20 samples and monitors the control samples inserted by ALS.

Additional information with respect to the Aureus West Gold Project is available in the technical report filed on SEDAR under the Company's profile, entitled "Aureus West Gold Property Technical Report", by Mr. G. Z. Mosher, P.Geo, M.Sc., Global Mineral Resource Services with an effective date of November 4, 2020.

### TANGIER GOLD PROJECT

The Tangier Gold deposit is situated along the east-west trending Tangier anticline, a structure that has been traced for 7.3km. Within this anticline, two sections totaling 1.4km have been explored with drilling and historical mining, which demonstrate good continuity of gold-bearing quartz veins to depths of 300m. Gold-bearing quartz veins have been identified over a total strike length of 3.4km on the property. This work has identified 70 or more gold-bearing quartz veins, demonstrating an extensive mineralized system. 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.

The Tangier Gold Project was the site of the first gold discovery in Nova Scotia in 1860. Total historic gold production up to 1919 is estimated at 29,000 ounces at a recovered grade of 17.5 g/t Au. The property saw several phases of bulk sampling during the 1980s and 1990s, the best of which was 2,578 tonnes with a recovered grade of approximately 16 g/t Au. A total of 211 surface and underground drill holes have been completed on the property.



**MANAGEMENT’S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

Historical mining activities have developed 3,300m of underground workings. The Tangier Gold Project is comprised of 119 exploration claims on 1,878 hectares.

Mineralization at the Tangier Gold Project consists of coarse flake gold and nuggets in generally stratabound quartz veins up to 1.5m thick containing calcite and up to 5% sulfide minerals, including pyrite, pyrrhotite, arsenopyrite, sphalerite, and galena. The characteristics of the mineralization indicate that the deposit is an orogenic gold deposit, similar to the Dufferin Gold Project and others in Nova Scotia’s Meguma Terrane.

A Mineral Resource has been estimated for the Blueberry Hill Zone at the Tangier Gold Project on the basis of historical surface and underground drilling. No Mineral Resource has been estimated for the Strawberry Hill Zone but it is considered to be a prospective exploration target. The estimate is based on assays contained in 18 modelled quartz veins. Assays were capped at 40 g/t Au and samples were composited to one metre lengths. A fixed density of 2.67 g/cm<sup>3</sup> was used. Because of the small number of samples in any given vein, variography was not attempted and instead the estimate was obtained by inverse distance squared weighting (ID<sup>2</sup>) and a search ellipse that imitated the strike and dip of the veins. Blocks measured 10m along strike, one meter across strike, and two meters down-dip.

The following Inferred Mineral Resources have been estimated on the basis of a preliminary economic assessment of the geologically similar Dufferin Gold Project, a grade of 2 g/t Au was taken as the base case:

**Tangier Gold Project Mineral Resource Estimate @ Cutoff of 2 g/t Au**

Tonnes	Capped @ 40 g/t Au		Tonnes	Uncapped	
	Au g/t	Ounces		Au g/t	Ounces
493,000	5.9	93,000	511,000	9.9	163,000

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of Mineral Resources will be converted to Mineral Reserves. Inferred Mineral Resources are based on limited drilling which suggests the greatest uncertainty for a Mineral Resource estimate and that geological continuity is only implied. Additional drilling will be required to verify geological and mineralization continuity and it is reasonably inferred that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources. Quantity and grades are estimates and are rounded to reflect the fact that the resource estimate is an approximation.

The Tangier Gold Project possesses potential for expansion of resources beyond the Blueberry Hill Zone. The gold-bearing veins on the property have been traced by surface outcrops, drilling, and underground workings over a total strike length of approximately 3.4km. The bulk of the drilling and the current Mineral Resource estimate on the project are limited to approximately 500m along strike in the Blueberry Hill area of the project. Thus, the remaining 2.9km of identified gold-bearing quartz veins on the project hold additional exploration potential. In particular, the Strawberry Hill Zone is considered to warrant additional exploration work.

Additional information with respect to the Tangier Gold Project is available in the technical report filed on SEDAR under the Company’s profile, entitled “Tangier Gold Property Technical Report”, by Mr. Greg Mosher, P.Geo, M.ASc., Global Mineral Resource Services with an effective date of June 1, 2020.

**FOREST HILL GOLD PROJECT**

The Forest Hill Gold Project is located in Guysborough County, Nova Scotia, approximately 160km northeast of Halifax and is comprised of 115 contiguous mineral exploration claims in four exploration licenses. The claims have an aggregate area of 1,840 hectares. The Nova Scotia Department of Energy and Mines holds 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.



**MANAGEMENT’S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

The Forest Hill Gold Project contains auriferous quartz veins; most are bedding parallel but cross cutting veins have also been reported. Vein thicknesses range from several centimeters to decimeters. Gold most commonly occurs in native form as flakes and grains within quartz veins and on the margins of veins immediately adjacent to wallrock. Gold occurs within “shoots” from seven to 30m in height and several hundred meters in strike length within a given vein. These zones commonly have the same plunge as the axis of the anticline and are auxiliary or parasitic folds developed on the flanks of the principal anticline. These secondary folds typically occur in en-echelon fashion within a given vein, as well as in adjacent veins.

Auriferous quartz veins of economic interest are all located on the steeply north dipping, overturned, south limb of an east-trending anticline within 250m of the anticlinal axis. Within that 250m interval, a central 50 to 60m wide interval of interbedded metawacke and schist termed the Schoolhouse sequence contains the Schoolhouse 1 through 6 stratabound veins or vein packages which were historically the most productive and were the primary subject of more recent bulk sampling programs. Veins are boudinaged, are generally from five to 15 cm thick and some are persistent along strike and down-dip for hundreds of meters.

The following Indicated and Inferred Mineral Resources for the Forest Hill Gold Project have been estimated using a 2 g/t Au cutoff based on historical surface and underground drilling:

Class	Tonnes	Au g/t Capped 110 g/t	Capped Oz Au	Uncapped Au g/t	Oz Uncapped Au
Indicated	322,000	7.1	73,000	11.0	114,000
Inferred	905,000	7.1	208,000	10.6	308,000

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of Mineral Resources will be converted to Mineral Reserves. Inferred Mineral Resources are based on limited drilling which suggests the greatest uncertainty for a Mineral Resource estimate and that geological continuity is only implied. Additional drilling will be required to verify geological and mineralization continuity and it is reasonably inferred that the majority of the Inferred Mineral Resources could be upgraded to indicated resources. Quantity and grades are estimates and are rounded to reflect the fact that the resource estimate is an approximation.

Bulk sampling carried out in the 1980’s showed potential gold recovery of 94.9% (74.2% by gravity). Veins have extensive strike and depth continuity. There is expansion potential along strike to the east, west and at depth. The property was drilled along approximately 300m and is open at depth.

Additional information with respect to the Forest Hill Gold Project is available in the technical report filed on SEDAR under the Company’s profile, entitled “Forest Hill Gold Property Technical Report” by Mr. G. Z. Mosher, P.Geo, M.A.Sc., Global Mineral Resource Services with an effective date of June 1, 2020.

Mr. Greg Mosher, M.A.Sc., P.Geo is an independent Qualified Person as defined by NI 43-101 and has reviewed and approved the Aureus Gold properties Technical Report disclosure in this MD&A.

**MIKWAM PROPERTY**

Pursuant to an option agreement on the Mikwam Property, the Company has acquired a 100% interest in the property, located on the Casa Berardi Deformation Zone in the Larder Lake Mining Division, approximately 160kms north-east of Timmins, Ontario, (subject to certain royalty interests and encumbrances) by making aggregate cash and share payments of \$25,000 and 4,000,000, respectively, to ALX Uranium Corp. (“ALX”) over a period of two years. In addition, the Company granted ALX a NSR Royalty equal to 0.5% of net smelter returns from the Property. The Company has the right, at any time, to acquire the 0.5% NSR Royalty from ALX for cash consideration of \$1,000,000.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

Mikwam comprises 69 Cell Claims including 29 Single Cell Mining Claims and 40 Boundary Cell Mining Claims under Ontario's new online cell-based provincial grid, on 968 hectares and lies in the Harricana-Turgeon belt within the northern portion of the Abitibi greenstone belt of the Superior Province of the Canadian Shield. The Harricana-Turgeon belt hosts polymetallic deposits and several well-known gold deposits such as the Eagle Mine, the Casa Berardi Mine and the Detour Mine. In late summer 2016, Agnico Eagle Mines Limited (previously Kirkland Lake Gold Ltd.) staked its Burntbush project which now completely surrounds the Mikwam Property.

### Mineral Resource Estimate

In connection with the acquisition of the Mikwam Option, the Company engaged Caracle Creek International Consulting Inc. to prepare a National Instrument 43-101 technical report on the Mikwam Property. The report, entitled "Independent Technical Report--Mikwam Gold Property--Noseworthy Township, Ontario, Canada," dated December 8, 2016 is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

The report provides an Inferred Mineral Resource estimate for Mikwam of 1.81 million tonnes at 2.34 g/t Au, containing 136,000 ounces of gold at a reported cut-off grade of 1.00 g/t Au.

Mineral Resources that are not mineral reserves do not have demonstrated economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these Inferred Mineral Resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

### Exploration programs

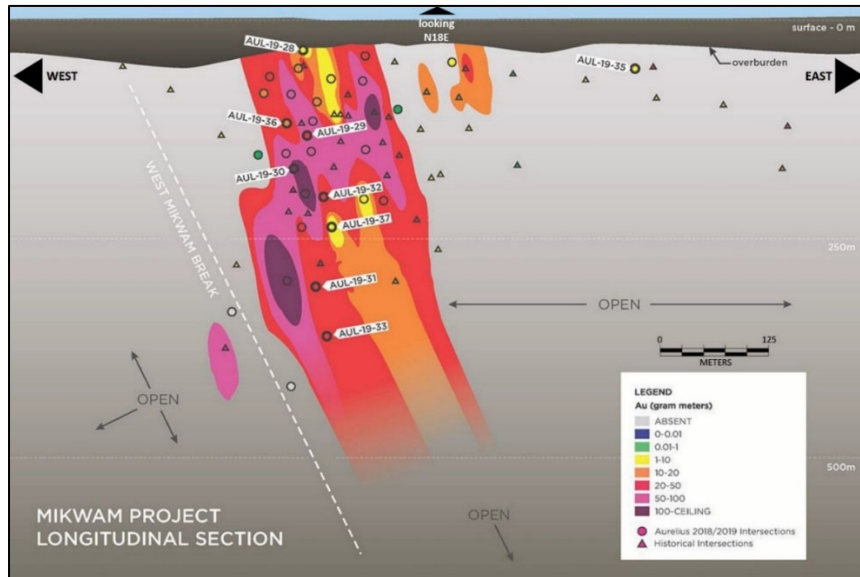
On May 14, 2019, the Company released the final assay results from its 3,000m Phase Three drilling program at its Mikwam Property. The successful Phase Three program expanded the volume of gold mineralization at Mikwam at depth to below 380m and further defined the zone along strike. The Company identified several higher-grade gold zones (see Figure 3) within the deposit and continues to expand and define gold mineralization, which occurs in several horizons.

The Phase Three program included a detailed downhole structural geology study using an Optical Televierer to enhance the geological model at the Mikwam deposit. Key geological findings included:

- Televierer data coupled with logging observations have better defined the structural setting of the deposit;
  - oriented bedding and structural measurements are key to constructing the structural setting.
- A Z-shaped drag fold is a significant control on the mineralization;
  - a folded stratigraphy results in stacked multiple gold zones;
  - higher grades are typically found in the fold hinges; and
  - there is potential for multiple hinges along strike at Mikwam.
- Understanding the relatively consistent stratigraphy allows the Company to define targets more effectively;
  - an altered footwall below the gold zone is an important marker (indicates proximity to gold zone); and
  - the repetition of the sequence and offsets open new targets to the north and along strike.

Holes AUL-19-28, 29, 30, 32, 36 and 37 were designed to bring the spacing between intersections to approximately 25m in the upper 200m of the deposit and to define the geological controls on the gold distribution. Holes AUL-19-31 and AUL-19-33 extend the gold mineralization and demonstrate the zone is open at depth. Hole AUL-19-33 is now the deepest intersection to date.

**MANAGEMENT’S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**



**Figure 3. Mikwam Exploration Long Section looking North - Phase Three**

**Table 1. Summary of Gold Intersections from Mikwam Phase Three Drilling Program**

Hole ID	From (m)	To (m)	Width (m) <sup>1</sup>	Au g/t
<b>AUL-19-28</b>	49.00	51.00	2.00	2.51
<b>AUL-19-28</b>	57.00	61.00	4.00	1.10
<b>AUL-19-28</b>	208.50	209.50	1.00	0.63
<b>AUL-19-29</b>	182.50	202.90	20.40	1.93
including	184.00	190.40	6.40	2.98
including	194.40	202.30	7.90	2.25
including	199.20	201.60	2.40	3.69
<b>AUL-19-30</b>	48.00	51.00	3.00	0.80
<b>AUL-19-30</b>	76.00	80.00	4.00	0.37
<b>AUL-19-30</b>	196.50	228.00	31.50	3.46
including	205.90	223.00	17.10	5.37
including	205.90	210.00	4.10	9.41
including	217.50	220.60	3.10	9.21
<b>AUL-19-31</b>	184.50	186.50	2.00	0.52
<b>AUL-19-31</b>	248.00	258.00	10.00	1.99
<b>AUL-19-31</b>	355.00	370.00	15.00	1.65
including	358.00	369.00	11.00	2.19
including	359.00	364.00	5.00	2.84
<b>AUL-19-32</b>	197.50	199.10	1.60	0.37
<b>AUL-19-32</b>	205.00	222.00	17.00	1.98
including	208.30	211.20	2.90	6.34
<b>AUL-19-33</b>	222.00	234.75	12.75	1.27
<b>AUL-19-33</b>	373.00	406.70	33.70	1.15
including	382.20	383.60	1.40	4.02
including	404.40	406.70	2.30	2.71
<b>AUL-19-34</b>		NSA		
<b>AUL-19-35</b>	73.00	80.00	7.00	0.81
<b>AUL-19-35</b>	73.00	75.00	2.00	2.28
<b>AUL-19-35</b>	101.00	102.00	1.00	0.98
<b>AUL-19-36</b>	147.50	159.00	11.50	1.28



**MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

Hole ID	From (m)	To (m)	Width (m) <sup>1</sup>	Au g/t
AUL-19-36	147.50	156.00	8.50	1.67
AUL-19-36	151.37	152.60	1.23	6.95
AUL-19-36	243.50	244.50	1.00	2.12
AUL-19-37	150.00	152.90	2.90	0.33
AUL-19-37	186.00	195.42	9.42	0.53
AUL-19-37	307.50	318.00	10.50	0.14

<sup>1</sup>. Intervals may not represent true width of the mineralized zone and gold values are not capped.

The first two drilling campaigns by Aurelius in 2018 intersected and expanded the gold mineralization zone and demonstrated an expanding continuous gold system at Mikwam.

The Company received a portion of the extensive high resolution (100m line spacing) VTEM survey which Agnico Eagle Mines Limited (previously Kirkland Lake Gold Ltd.) commissioned over their Burntbush Property, which completely surrounds the Mikwam Property and identified a southern anomaly that the Company tested in its Phase One drill program at the Property.

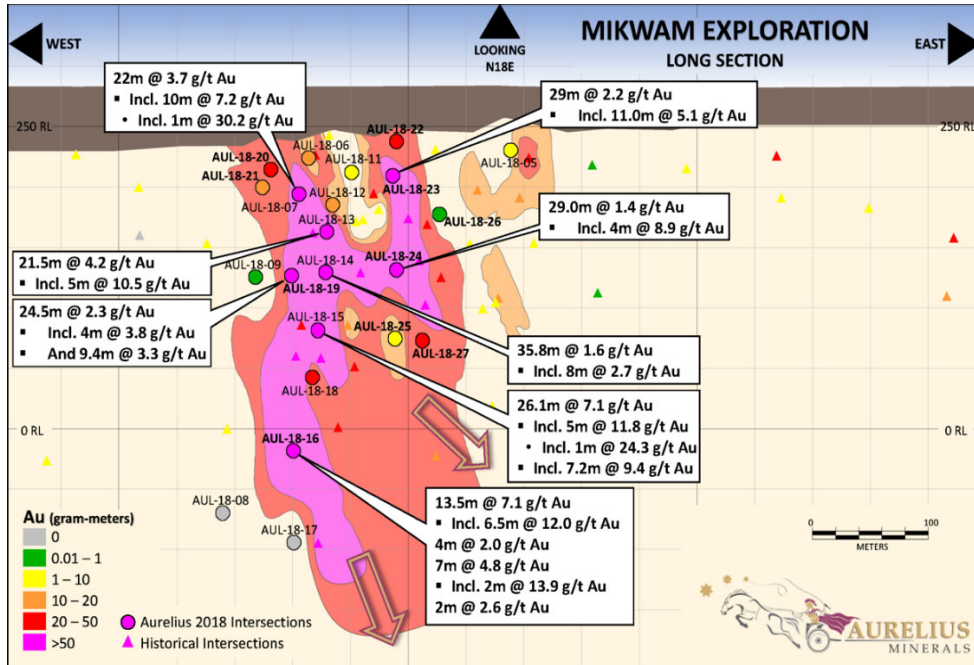
The 2018 Phase One drill program, which included 10 NQ diameter core holes totaling approximately 2,700 m, was completed during the first half of 2018. The program extended the mineralization of the deposit both vertically and laterally, as well as provided improved understanding of the structural setting of the deposit. The Company intersected and expanded gold mineralization in its Phase One exploration drilling program on its Mikwam Property, including 3.7 g/t Au over 22m in hole AUL-18-07 – 58% higher than the grade of the existing inferred mineral resource and including high grade intercepts of 30.2 g/t Au over 1m and 7.16 g/t Au over 10m (set out in Figure 4 and Table 2 below); extended the Mikwam mineralization approximately 75m vertically upwards, to the contact between bedrock and overburden and along the east-west trend, representing potential additions to the existing resource base; and confirmed the gold mineralization at Mikwam has the same structural trend and mineral assemblage hosting gold as well as similar stratigraphy as Hecla Mining Company's Casa Berardi Mine.

On October 31, 2018, the Company announced the completion of its 2018 Phase Two drilling program at Mikwam. The 3,923m Phase Two program involved systematically drilling 17 holes on five north-south cross sections, on approximately 150m of strike, working out from hole AUL-18-07 of the Phase One program which intersected 3.7 g/t Au over 22m (see May 30, 2018 Press Release). Drilling on the cross sections was designed to confirm our interpretation of the gold mineralization to a depth of approximately 300m on 30m to 40m spaced intersections. Mineralization remains open at depth and along strike.



**MANAGEMENT’S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

Significant intersections from the Phase Two program are illustrated in the following Figure 4 Mikwam Exploration Long Section.



**Figure 4. Mikwam Exploration Long Section – Phase Two**

**Table 2. Summary of Gold Intersections from Mikwam Phase Two Drilling Program**

Hole ID	From (m)	To (m)	Width (m) <sup>1</sup>	Au g/t
<b>AUL-18-11</b>	93.5	106.0	12.5	0.55
<b>AUL-18-12</b>	90.5	98.0	7.5	0.27
and	103.0	109.5	6.5	2.40
and	111.5	115.5	4.0	0.33
<b>AUL-18-13</b>	134.5	156.0	21.5	4.15
including	138.5	140.5	2.0	8.05
and	144.5	149.5	5.0	10.45
<b>AUL-18-14</b>	151.2	187.0	35.8	1.64
including	158.0	166.0	8.0	2.72
<b>AUL-18-15</b>	195.6	221.7	26.1	7.08
including	207.5	212.5	5.0	11.82
and includes	210.5	211.5	1.0	24.30
and	214.5	221.7	7.2	9.36
<b>AUL-18-15</b>	245.5	253.6	8.1	1.53
including	245.5	246.5	1.0	9.90
<b>AUL-18-16</b>	223.5	227.0	3.5	0.78
and	233.0	237.0	4.0	0.97
and	255.8	262.5	6.7	1.88
and	325.5	339.0	13.5	7.08
including	326.5	333.0	6.5	11.99
<b>AUL-18-16</b>	343.0	347.0	4.0	2.01
<b>AUL-18-16</b>	356.0	363.0	7.0	4.81
including	358.0	360.0	2.0	13.87
<b>AUL-18-16</b>	365.0	367.0	2.0	2.63
<b>AUL-18-17</b>	no significant results			



**MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022**

Hole ID	From (m)	To (m)	Width (m) <sup>1</sup>	Au g/t
<b>AUL-18-18</b>	181.0	190.0	9.0	1.17
and	284.0	285.0	1.0	4.70
and	289.5	301.0	11.5	3.02
including	289.5	295.0	5.5	5.19
and	322.0	326.0	4.0	0.70
<b>AUL-18-19</b>	163.5	188.0	24.5	2.29
including	164.5	168.5	4.0	3.82
including	176.5	185.9	9.4	3.33
<b>AUL-18-20</b>	84.0	105.0	21.0	1.35
including	86.5	89.5	3.0	6.25
and	119.0	124.0	5.0	1.63
including	119.0	120.0	1.0	6.44
<b>AUL-18-21</b>	92.0	100.0	8.0	1.33
and	108.0	113.0	5.0	1.02
<b>AUL-18-22</b>	48.0	70.5	22.5	1.07
<b>AUL-18-23</b>	66.0	95.0	29.0	2.20
including	84.5	90.5	6.0	7.86
<b>AUL-18-24</b>	163.0	204.0	41.0	1.36
including	176.0	184.0	8.0	4.97
and includes	180.0	184.0	4.0	8.86
<b>AUL-18-25</b>	232.1	237.0	4.9	0.99
<b>AUL-18-26</b>	139.0	141.4	2.4	0.31
<b>AUL-18-27</b>	205.0	229.5	24.5	1.05

<sup>1.</sup> Intervals may not represent true width of the mineralized zone and gold values are not capped.

All samples were submitted to Bureau Veritas in Timmins, Ontario, for sample preparation by crushing one kilogram to 70 per cent less than two millimetres, creation of a 500-gram split and then pulverizing to 85 per cent passing 75 microns. Sample pulps are submitted for gold analysis with a 30-gram fire assay and atomic absorption spectroscopy finish (code FA430). Samples returning higher than 10 parts per million gold were re-assayed with a 30-gram fire assay and gravimetric finish. Control samples (accredited gold standards, blanks and duplicates) were inserted into the sample sequence by Bureau Veritas on a regular basis to monitor precision of results.

As part of the Company's Quality Assurance and Quality Control procedures (QA/QC) the Company reviews results from Certified Standard Reference materials (CRSM or Standards), which are inserted at a rate of 4 per 100 assays. The Company also inserts Certified Reference Blanks (Blanks), at a rate of 2 per 100 assays, and quarter-core duplicates, at a rate of 4 per 100 assays (total QA/QC insertions of 10 per 100 assays, representing 10% of all assays). Within the results disclosed herein there were no samples with results outside of the recommended tolerances for the standards or blanks. Duplicates were within normal tolerances for this type of deposit in this geological setting.

**LIPTON PROPERTY**

In conjunction with Mr. Ashcroft's appointment as President and CEO of Aurelius in 2016, through a wholly owned company MNJA Holdings Inc., an option (the "Lipton Option") was assigned to the Company granting the right to earn a 100% interest in 13 claim blocks (the "Lipton Option Claims"), subject to a NSR of 2.0%, in consideration of 500,000 common shares of the Company being issued to Mr. Ashcroft. The Company may earn a 100% in the Lipton Option Claims by making aggregate cumulative cash payments of \$1,000,000 to be paid over a 10-year period. As at the date of this MD&A, the Company has made annual payments totalling \$200,000, pursuant to the Lipton Option agreement entered into on August 22, 2016 and filed the minimum of two years of assessment work. 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. In June 2020, the Company entered into a land access agreement with De Beers Canada Inc. ("De Beers") which permit De Beers the exclusive right to conduct activities to explore for



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

diamonds on certain of the Lipton claims. Aurelius received \$20,000 and \$30,000 relating to access during 2020 and 2021, respectively and does not expect further payments under the De Beers agreement.

In addition, the Company staked 44 claim blocks referred to as the Atkinson South claims. The Lipton Property comprises the Lipton Option Claims and the Atkinson South claims totaling 721 Cell Claims, 563 Single Cell Mining Claims, 143 Boundary Cell Mining Claims, and 30 “internal” and overlapping (i.e., two occupying the same space) Boundary Cell Mining Claims under Ontario’s new online cell-based provincial grid, covering an area of approximately 12,425 hectares.

The Lipton Property is located approximately 150km north-east of Cochrane, Ontario near the border between Ontario and Québec, and is approximately 20km south of the Detour Lake Mine, and 3km south of Agnico Eagle Mines Limited’s (previously Kirkland Lake Gold Ltd.) Detour Lake 58N high grade discovery.

The Lipton Property is in the northern portion of the Abitibi Greenstone Belt, just south of the Lower Detour Deformation Zone. The area is composed of numerous sequences of mafic and felsic volcanics, with sedimentary sequences variably interbedded. There are also numerous felsic, mafic, and ultramafic intrusives.

### **Exploration programs**

In mid July 2017, the Company commenced its Phase One exploration program on the Lipton Property. The Company completed 1,833m of diamond drilling in twelve holes from nine different collar locations and a ground-based IP geophysical survey. The primary goals of the program were to confirm the interpretation of the local controls on gold mineralization, to test a number of new targets based on previous drilling and geophysics and to generate new targets to the north of the main Lipton target.

The Company’s inaugural drill program at Lipton successfully intersected significant gold mineralization at the Lipton Gold Zone, including 9.4 g/t Au over 6.58 m, identified a new gold zone to the north and confirmed the presence of the host unit for Agnico Eagle Mines Limited’s (previously Kirkland Lake Gold Ltd.) Detour Lake 58N gold mineralization. Drilling conducted at the new Lipton North target intersected 1m grading 3.0 g/t Au in AUL-17-10 (new mineralized zone) and the hole ended in 12m grading 0.2 g/t Au. Concurrent with the drilling program, the Company completed a ground-based induced polarization (IP) geophysical survey covering 11-line km to identify additional targets. Five new drill targets were identified in the new Lipton North area (see February 5, 2018 Press Release).

The contents of this MD&A have been reviewed and approved by Mr. Jeremy Niemi, P.Geo., VP, Exploration of Aurelius, who is a qualified person as defined in National Instrument 43-101.

### **FINANCIAL POSITION**

#### **Cash and cash equivalents**

Cash and cash equivalents totalled \$1,258,515 as at March 31, 2022 (December 31, 2021 – \$1,329,426). The decrease in cash is due to inflows from the private placement financings, offset by exploration expenditures at the gold projects in Nova Scotia as well as expenditures for corporate general and administrative purposes.

#### **Receivables**

Receivables of \$121,596 as at March 31, 2022 (December 31, 2021 – \$802,758) related mainly to input sales tax.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

### Property and equipment

	Mill equipment \$	Mobile and infrastructure equipment \$	Office furniture and equipment \$	Exploration Equipment \$	Right of use assets \$	Total \$
<b>Cost</b>						
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
Additions	-	12,233	-	-	-	12,233
<b>Balance – March 31, 2022</b>	<b>952,358</b>	<b>144,372</b>	<b>13,611</b>	<b>74,139</b>	<b>863,492</b>	<b>2,047,972</b>
<b>Accumulated depreciation</b>						
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
Depreciation	-	5,423	593	2,868	48,092	56,976
<b>Balance – March 31, 2022</b>	<b>-</b>	<b>42,267</b>	<b>10,056</b>	<b>14,636</b>	<b>457,818</b>	<b>524,777</b>
<b>Net book value</b>						
At December 31, 2021	952,358	95,295	4,148	62,371	453,766	1,567,938
<b>At March 31, 2022</b>	<b>952,358</b>	<b>102,105</b>	<b>3,555</b>	<b>59,503</b>	<b>405,674</b>	<b>1,523,195</b>

As at March 31, 2022, the mill is not considered available for use and accordingly is not being depreciated at this time. Property, plant and equipment is depreciated using the straight-line method over their estimated useful lives, estimated to be between 3 and 10 years.

### 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 is properly registered and in good standing.

The Company holds interests in two mineral properties located in Ontario, Canada, and the Aureus Gold Properties, including the Aureus East, Aureus West, Tangier and Forest Hill properties, in Nova Scotia, Canada. To date, excluding Aureus West, there have been no acquisition costs incurred on the Aureus Gold Properties.

The capitalized acquisition costs are as follows:

	Mikwam \$	Lipton \$	Aureus West \$	Total \$
<b>Balance – December 31, 2010</b>	257,500	278,685	784,515	1,320,700
Additions	-	100,000	-	100,000
<b>Balance – December 31, 2021</b>	<b>257,500</b>	<b>378,685</b>	<b>784,515</b>	<b>1,420,700</b>
Additions	-	-	-	-
<b>Balance – March 31, 2022</b>	<b>257,500</b>	<b>378,685</b>	<b>784,515</b>	<b>1,420,700</b>



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

The Company incurred exploration expenditures as follows:

	<b>Mikwam</b>	<b>Lipton</b>	<b>Aureus East</b>	<b>Aureus West</b>	<b>Tangier</b>	<b>Forest Hill</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land management	3,188	3,188	1,004	-	8,554	-	15,934
Site admin/maintenance	3,682	-	405,873	29,638	15,419	5,925	460,537
Geology	-	-	187,425	48,960	52,226	36,512	325,123
Sampling and analysis	-	-	83,976	89,283	-	-	173,259
Drilling	-	-	752,332	-	-	-	752,332
<b>Three months ended</b>							
<b>March 31, 2021</b>	<b>6,870</b>	<b>3,188</b>	<b>1,430,610</b>	<b>167,881</b>	<b>76,199</b>	<b>42,437</b>	<b>1,727,185</b>
Land management	3,000	3,000	1,224	-	4,862	-	12,086
Site admin/maintenance	2,400	-	357,045	9,413	9,333	11,423	389,614
Geology	-	-	224,268	26,466	13,662	34,881	299,277
Sampling and analysis	-	-	58,651	-	-	-	58,651
Drilling	-	-	106,149	-	-	-	106,149
Recoveries and grants	-	-	(4,317)	(3,238)	(7,339)	(6,691)	(21,585)
<b>Three months ended</b>							
<b>March 31, 2022</b>	<b>5,400</b>	<b>3,000</b>	<b>743,020</b>	<b>32,641</b>	<b>20,518</b>	<b>39,613</b>	<b>844,192</b>

During the three months ended March 31, 2022 and during the year ended December 31, 2021, the Company received \$21,585 and \$32,378, respectively, 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.

### Reclamation and other deposits

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. \$225,000 was paid by Sprott in July 2020 to complete the scheduled payments totalling \$1,500,000. The reclamation security deposit totals \$1,500,000 as at March 31, 2022.

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

### Accounts payable and accrued liabilities

Trade accounts payable and accrued liabilities were \$675,509 as at March 31, 2022 (December 31, 2021 – \$1,094,456).



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

### Lease liabilities

	March 31 2022 \$	December 31 2021 \$
<b>Current portion of lease liability</b>	<b>137,815</b>	73,061
Additions	-	121,219
Transfer from long-term lease liability	<b>39,822</b>	92,960
Lease payments during the period	<b>(46,389)</b>	(184,923)
Interest expense on lease liability	<b>10,660</b>	35,498
	<b>141,908</b>	137,815
<b>Non-current lease liability</b>	<b>360,025</b>	201,565
Additions	-	251,420
Transfer to current lease liability	<b>(39,822)</b>	(92,960)
	<b>320,203</b>	360,025

As at March 31, 2022, the Company is required to pay \$187,598 (December 31, 2021 – \$186,985) in undiscounted lease payments within the next twelve months and \$218,047 (December 31, 2021 – \$265,050) over the remaining term of the leases for a total of \$405,645 (December 31, 2021 – \$452,035).

During the three month period ended March 31, 2022, the Company renewed its Toronto office lease and recorded a rent recovery of \$19,910 (2021 – \$17,438) for receipts related to the sub lease arrangement, not included in lease liabilities, in profit or loss.

### 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. As at March 31, 2022, 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.

### Obligation upon acquisition of Aureus Gold Inc.

	\$
<b>Balance – December 31, 2020</b>	<b>1,393,674</b>
Settlement upon Sprott's participation right	(82,716)
Effect of foreign currency changes	(9,702)
<b>Balance – December 31, 2021</b>	<b>1,301,256</b>
Settlement upon Sprott's participation right	(124,719)
Effect of foreign currency changes	(12,098)
<b>Balance – March 31, 2022</b>	<b>1,164,439</b>

On February 7, 2022, the Company issued 423,090 common shares to Sprott Lending at a price of \$0.30 per common share in consideration of a reduction of the First Deferred Payment under the Transaction Agreement. \$124,719 (US\$98,445), 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



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

value of the shares, being the closing price per share on that date of issue, resulted in a \$4,231 gain on acquisition obligation settlement.

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, in connection with the private placement financings that closed in May 2021. \$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.

Since the acquisition of Aureus Gold on February 27, 2020, the Company has issued an aggregate 1,960,421 common shares to Sprott Lending in connection with the exercise of its participation right to maintain its percentage shareholding of Aurelius under the Transaction Agreement, and \$1,390,861 (US\$1,068,970), being the aggregate value of the participation right exercises, was credited towards the First Deferred Payment and reduced the acquisition obligation.

### **Common share issuances, private placements and flow-through premium liability**

On February 7, 2022, the Company issued 423,090 common shares with a fair value of \$122,696 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.

On March 30, 2022, the Company issued 1,560,500 flow-through units at a price of \$0.33 per flow-through unit for gross proceeds of \$514,965 and 1,533,339 common share units at a price of \$0.30 per common share unit for aggregate gross proceeds of \$460,002 for aggregate gross proceeds of \$974,967, pursuant to the closing of the first tranche of a private placement financing on March 30, 2022. 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. Using the residual value approach, proceeds of \$77,754 were allocated to the common share purchase warrants. Cash transaction costs were \$16,412. The subscription agreement for the flow-through common shares requires Aurelius to incur \$514,965 of qualifying CEE and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2022. 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 \$46,815 and reduced share capital by the same amount.

Subsequent to March 31, 2022, the Company closed the final two tranches of a private placement financing on April 4 and April 12, 2022 through the issuance of 1,469,811 flow-through units at a price of \$0.33 per flow-through unit for gross proceeds of \$485,038 and 333,334 common share units at a price of \$0.30 per common share unit for aggregate gross proceeds of \$100,000 for aggregate gross proceeds of \$585,038. 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 for the three-tranche private placement financing requires Aurelius to incur \$1,000,003 of qualifying CEE and renounce the CEE to the flow-through shares shareholders with an effective date of December 31, 2022.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

On December 15, 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. 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. Cash finders' fees of \$49,080 were paid. The subscription agreement for the flow-through common shares requires Aurelius to incur \$870,700 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 \$145,117 and reduced share capital by the same amount. Pursuant to incurring eligible flow-through expenditures, the flow-through premium liability was reduced by \$106,667 and recognized into income during the three month period ended March 31, 2022.

On July 19, 2021, the Company issued 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.

During May 2021, the Company closed of a non-brokered private placement offering for gross proceeds of \$6,040,987. The Company issued an aggregate of 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. The Company paid cash finders' fees of \$237,466, being a commission of 7.0% of the gross proceeds in connection with certain subscriptions under the Offering and issued an aggregate of 371,392 compensation warrants, fair valued at \$148,968, equal to 7.0% of the common shares and flow-through common shares issued in connection with certain of those subscriptions. 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, being a commission of 7% of the gross proceeds in connection with certain subscriptions under the Offering, and issue approximately 258,344 compensation warrants, equal to 7% of the Common Shares and Flow-Through Shares issued in connection with those subscriptions. 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.

During the year ended December 31, 2021, the Company issued 100 common shares upon the exercise of warrants and 548,800 warrants expired unexercised.





## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

<i>Flow-through premium liability</i>	\$
<b>Balance – December 31, 2020</b>	<b>494,116</b>
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)
<b>Balance – December 31, 2021</b>	<b>145,117</b>
Flow-through premium liability – March private placement	46,815
Settlement of flow-through premium to income	(106,667)
<b>Balance – March 31, 2022</b>	<b>85,265</b>

### RESULTS OF OPERATIONS

Three month periods ended March 31	2022	2021	Change
	\$	\$	\$
<b>Expenses</b>			
Exploration	<b>844,192</b>	1,727,185	882,993
Salaries and benefits	<b>206,031</b>	213,942	7,911
Director fees	<b>27,500</b>	27,500	-
Investor relations	<b>102,728</b>	78,297	(24,431)
Legal, audit and accounting	-	3,507	3,507
Office and miscellaneous	<b>14,248</b>	12,690	(1,558)
Regulatory and transfer agent fees	<b>14,498</b>	23,144	8,646
Rent (recovery)	<b>(19,919)</b>	(17,438)	2,481
Travel	<b>734</b>	1,487	753
Depreciation	<b>56,976</b>	55,105	(1,871)
Interest expense on lease liability	<b>10,660</b>	5,024	(5,636)
Share-based payment	<b>54,666</b>	-	(54,666)
	<b>(1,312,314)</b>	(2,130,443)	818,129
Interest income	-	1,288	(1,288)
Recognition of flow-through premium liability	<b>106,667</b>	494,116	(387,449)
Gain on acquisition obligation settlement	<b>4,231</b>	-	4,231
Foreign currency gain	<b>9,553</b>	18,209	(8,656)
<b>Loss and comprehensive loss</b>	<b>(1,191,863)</b>	(1,616,830)	424,967

During the three month period ended March 31, 2022, the Company incurred a loss and comprehensive loss of \$1,191,863 (2021 – \$1,616,830). Expenses during the three month period ended March 31, 2022 were lower mainly due to lower exploration expenditures on the Company's Nova Scotia properties relating to the lower cost channel sampling program carried out during the first quarter of 2022 compared to a higher cost drilling program that was carried out during the first quarter of 2021. Investor relations expenses were higher during the first quarter of 2022 as compared to the previous year as the Company is working to communicate the exploration successes it has been experiencing at its Nova Scotia properties. During the three month period ended March 31, 2022, the Company recorded a non-cash foreign currency gain of \$9,553 (2021 – \$18,209) mainly due to the translation of the Company's future contingent obligation relating to the purchase of Aureus Gold and future exploration success at the Aureus Gold Properties.

The Company recorded a rent recovery of \$19,919 (2021 – \$17,438) during the three month period ended March 31, 2022 for receipts related to a sub lease arrangement not included in lease liabilities.

Pursuant to qualifying flow-through expenditures incurred during the three month period ended March 31, 2022, the flow-through premium liability was reduced by \$106,667 (2021 – \$494,116) and recorded in profit or loss as Recognition of the flow-through premium liability.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

The operating losses are a reflection of the Company's status as a non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

### SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2022	2021	2021	2021	2021	2020	2020	2020
in thousands	\$	\$	\$	\$	\$	\$	\$	\$
Net revenue	nil	nil	nil	nil	nil	nil	nil	nil
Net loss	(1,192)	(3,221)	(2,070)	(2,116)	(1,617)	(1,891)	(1,297)	(827)
Cash and cash equivalents	1,259	1,329	2,045	4,229	1,375	3,330	4,132	783
Total assets	5,906	6,666	7,694	9,914	6,389	8,203	8,677	5,127
Deficit	(24,139)	(22,948)	(20,670)	(18,599)	(16,539)	(14,924)	(13,038)	(11,740)

The Company's operations are not driven by seasonal trends, but rather by reaching project milestones such as completing various geological, technical, environmental and socio-economic objectives as well as closing the financings needed to fund the Company's activities. Accordingly, the operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as share-based compensation, level of exploration activity and costs expensed or costs incurred to assess opportunities to acquire new mineral property interests.

### TRANSACTIONS WITH RELATED PARTIES

The consolidated financial statements include the financial statements of Aurelius Minerals Inc. and its subsidiary.

#### 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:

	Three month period ended March 31, 2022	Three month period ended March 31, 2021
	\$	\$
Salaries and fees	259,000	262,750
Short-term employment benefits	1,500	1,500
Share-based payment	12,464	-
	<b>272,964</b>	<b>264,250</b>



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

The Company has related parties which consist of companies with directors and officers in common. The Company subleases a portion of its Toronto office space to 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, 2022 \$	Three month period ended March 31, 2021 \$
Rent recovery	19,919	17,438
Office and other recovery	1,286	1,431
	<b>21,205</b>	<b>18,869</b>

Included in accounts payable and accrued liabilities at March 31, 2022 is \$255,237 (December 31, 2021 – \$268,081) due to officers and directors, including the CEO and VP Exploration for expenses and fees of \$63,154, and \$192,083 for directors' fees.

### LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow. The Company's future financial success will depend on the discovery of one or more economic mineral deposits or business opportunity. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management.

To date, the Company has financed its activities by the issuance of equity securities. In order to continue funding its exploration activities and corporate costs, exploration companies are usually reliant on their ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of company's management. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

#### **Working Capital**

The Company had working capital of \$644,865 as at March 31, 2022 (December 31, 2021 – \$945,115) (see "Non-IFRS Measures"). As at March 31, 2022, the Company is obligated to incur \$230,700 of qualifying flow-through expenditures prior to December 31, 2022 and \$514,965 prior to December 31, 2023. Subsequent to March 31, 2022, the Company completed the final two tranches of a private place financing for gross proceeds of \$585,038.

The Company has no debt, does not have any unused lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other financial derivatives.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

#### **Operating Activities**

Cash used in operating activities was \$965,103 for the three month period ended March 31, 2022 (2021 – \$1,889,643). The decreased use in cash relates predominantly to lower cost channel sample exploration program carried out during the first quarter of 2022 at the Company's exploration properties in Nova Scotia, slightly offset by general corporate activities incurred to manage a public resource company with exploration stage properties.



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

### **Financing Activities**

Financing activities during the three month period ended March 31, 2022 resulted in cash inflows of \$906,425 (2021 – \$45,948 outflow) from the issuance of shares partially offset by the repayment of the lease liabilities.

### **Investing Activities**

Investing activities during the three month period ended March 31, 2022 resulted in cash outflows of \$12,233 (2021 – \$19,920) related to exploration equipment purchases at the Aureus Gold exploration properties.

### **CONTINGENCIES**

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial position or future results of the Company.

### **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities, 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, deposits, accounts payable and accrued liabilities and 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's risk exposures and the impact on the Company's financial instruments are summarized below.

#### **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 as at March 31, 2022. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in 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 risk that the Company will realize a loss in cash is limited because the Company's deposits are redeemable on demand.

#### **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, 2022, the Company had cash and cash equivalents totalling \$1,258,515 (December 31, 2021 – \$1,329,426) to settle current liabilities of \$902,682 (December 31, 2021 – \$1,377,388). Subsequent to March 31, 2022, the Company completed the final two tranches of a private place financing for gross proceeds of \$585,038. Management and the Board of Directors are actively involved in the review, planning and



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

approval of significant expenditures and commitments. The Company is evaluating various opportunities for additional financing and intends to raise further funding pursuant to the completion of the Mineral Resource estimate on the Aureus East Project.

As at March 31, 2022 and 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.

### OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The discussion and analysis of Aurelius' consolidated financial condition and results of operations are based upon its consolidated financial statements, which are prepared in accordance with IFRS. The preparation of the consolidated financial statements requires the Company to make estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates under different assumptions or conditions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed in more detail in the Company's audited consolidated financial statements for the year ended December 31, 2021, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### NON-IFRS MEASURES

This MD&A refers to working capital, which is not a recognized measure under IFRS. This non-IFRS performance measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Management uses this measure internally to better assess performance trends and liquidity. Management understands that a number of investors and others who follow the Company's business assess performance in this way. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

	March 31 2022	December 31 2021
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	1,258,515	1,329,426
Receivables	121,596	802,758
Prepaid expenses	82,171	45,202
	<b>1,462,282</b>	<b>2,177,386</b>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	(675,509)	(1,094,456)
Current portion of lease liability	(141,908)	(137,815)
<b>Working capital</b>	<b>644,865</b>	<b>945,115</b>



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

### DISCLOSURE OF SECURITIES OUTSTANDING

As at May 27, 2022, the following common shares, common share purchase options, broker warrants and common share purchase warrants were outstanding.

	Expiry date	Exercise price per share	Number of shares and number of shares on exercise
<b>Common shares</b>			<b>45,835,673</b>
Common share purchase options	July 5, 2022	\$ 1.20	260,000
Common share purchase options	March 5, 2023	\$ 0.80	71,520
Common share purchase options	January 23, 2024	\$ 0.60	400,000
Common share purchase options	May 8, 2025	\$ 0.60	569,040
Common share purchase options	September 9, 2025	\$ 1.00	82,500
Common share purchase options	September 23, 2025	\$ 1.00	50,000
Common share purchase options	October 19, 2026	\$ 0.35	1,252,500
Common share purchase options	November 1, 2026	\$ 0.35	200,000
Common share purchase options	January 8, 2027	\$ 0.35	50,000
<b>Common share purchase options</b>			<b>2,935,560</b>
Common share purchase warrants	July 15, 2022	\$ 0.70	2,256,500
Common share purchase warrants	July 15, 2022	\$ 0.80	1,948,124
Common share purchase warrants	December 21, 2022	\$ 1.60	3,728,043
Common share purchase warrants	December 15, 2023	\$ 0.40	481,666
Common share purchase warrants	April 1, 2024	\$ 0.40	1,546,920
Common share purchase warrants	April 4, 2024	\$ 0.40	344,698
Common share purchase warrants	April 12, 2024	\$ 0.40	556,875
<b>Common share purchase warrants<sup>(1)</sup></b>			<b>10,862,826</b>
Broker warrants	July 15, 2022	\$ 0.70	556,822
Broker warrants	November 4, 2022	\$ 0.60	315,393
Broker warrants	November 14, 2022	\$ 0.60	56,000
Agent Unit Shares	December 21, 2022	\$ 1.60	298,242
Agent warrants <sup>(2)</sup>	December 21, 2022	\$ 0.80	298,242
Broker warrants	April 12, 2024	\$ 0.30	18,000
<b>Broker warrants<sup>(1)</sup></b>			<b>1,542,699</b>

<sup>(1)</sup> Warrants entitle the holder to acquire common shares of the Company.

<sup>(2)</sup> The agent warrants are exercisable to acquire units at a price of \$0.80 per unit for a period of five years, for common shares and common share warrants.

<sup>(3)</sup> See Share Consolidation section.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information included in the consolidated financial statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of income and expenses during the reported period. Actual results could differ from those estimates.

### RISKS AND UNCERTAINTIES

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 exploration programs and continue as a going concern. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The operations of the Company are speculative due to the high-



## MANAGEMENT'S DISCUSSION & ANALYSIS – FOR THE THREE MONTHS ENDED MARCH 31, 2022

---

risk nature of its business. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described herein and in forward-looking statements and forward-looking information relating to the Company. For a more comprehensive discussion of the risks and uncertainties faced by the Company, please refer to the Company's MD&A as at December 31, 2021 filed on [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act, the Alberta Securities Act and the Ontario Securities Act. This includes statements concerning the potential to increase mineral resource and mineral reserve estimates, the anticipated benefits of the Acquisition and the Private Placements, the development of the Aureus Gold properties, and the Company's plans to acquire new mineral property interests or business opportunities, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Generally, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company as at the date of such information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties or business opportunities; global financial conditions, including market reaction to the coronavirus outbreak; competition within the industry to acquire properties of merit or new business opportunities, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs at the Mikwam, Lipton and Aureus Gold properties on the Company's proposed schedules and within its cost and scheduling estimates, whether due to weather conditions, availability or interruption of power supply, infrastructure and mechanical equipment performance problems, natural disasters or pandemics in the areas where it operates, increasingly stringent environmental regulations, reclamation obligations and other permitting restrictions, consulting with or accommodating rights of First Nations groups or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, uncertainty as to whether mineral resources will ever be converted into mineral reserves once economic considerations are applied, uncertainty as to whether inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each MD&A of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, Aurelius undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.