

**Aura Resources Inc.**  
**(Formerly Aura Silver Resources Inc.)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Three and Nine Month Periods Ended September 30, 2019**  
**(Information as at November 28, 2019 unless otherwise noted)**

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**INTRODUCTION**

The following provides management's discussion and analysis of results of operations and financial condition for the three and nine month interim periods ended September 30, 2019 and 2018. Management's Discussion and Analysis ("MD&A") was prepared by Aura Resources Inc. ("Aura" or the "Company") management and approved by the Board of Directors on November 27, 2019.

The following discussion and analysis should be read in conjunction with the Company's condensed consolidated interim financial statements for the periods ended September 30, 2019 and 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements. The following discussion and analysis should also be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2018 and 2017 which have been prepared in accordance with IFRS for annual financial statements. All figures are presented in United States dollars (unless otherwise indicated). The consolidated financial statements include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries, Aura Resources Mexico S.A. de C.V. and Au Martinique Inc. (which is inactive). All intercompany balances and transactions have been eliminated upon consolidation.

On November 15, 2018, the shareholders of the Company approved a change in the name of the Company to Aura Resources Inc. and a consolidation of the Company's outstanding common shares on the basis of one new common share for every five common shares issued and outstanding. The Company filed articles of amendment on November 28, 2018 in order to give effect to the name change and share consolidation. All share capital, warrant, compensation option and stock option data presented in this MD&A has been retroactively restated to give effect to the consolidation of share capital.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This document may contain or refer to certain forward-looking statements relating but not limited to Aura Resources Inc.'s expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Aura Resources Inc. undertakes no obligation to update publicly or otherwise revise any forward-looking*

*information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

## **NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS**

The Company is an exploration stage junior mining company which is publicly listed on the TSX Venture Exchange (TSX-V: AUU) and is engaged in the identification, acquisition, evaluation and exploration of mineral properties in North America. The Company has not determined if its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's current mineral exploration property interests include: Gold Chain, Arizona; Jefferson Canyon, Nevada; Greyhound, Nunavut; and, Taviche, Mexico. Details regarding each mineral property interest are contained in the section entitled *Overall Performance and Results of Operations* in this MD&A.

## **ACTIVITY HIGHLIGHTS FOR 2018 AND 2019 TO DATE**

### ***Management and Board of Director Changes***

During May and June of 2018, the Company announced changes in the executive management and board of directors of the Company. Mr. Robert Johansing, M.Sc. Econ. Geol., P. Geo., was appointed as President and Chief Executive Officer and a director of the Company. Mr. Johansing has over 40 years of experience in management and as a mining and mineral exploration geologist. Following his appointment, Mr. Johansing and the board of directors completed an evaluation of the Company's mineral property portfolio and overall strategy leading to the initiatives detailed below.

### ***New Project - Jefferson Canyon Project, Nevada***

On May 31, 2019, the Company entered into a definitive option agreement with Thorsen-Fordyce Merchant Capital Inc. ("Thorsen") and TF Minerals (USA) Inc. (together, the "TF parties") relating to the Jefferson Canyon gold-silver project ("JCP") located in Nye County, Nevada. The agreement covers 57 unpatented claims located approximately nine kilometres northeast of Kinross's Round Mountain gold mine. The JCP contains a large volcanic-hosted epithermal Au-Ag system that is essentially the same age as the nearby Round Mountain deposit, a world-class low-sulfidation (LS) epithermal deposit. Both are hosted in felsic ash-flow tuffs along the margins of calderas and both contain a strong northwest-trending structural control to veins. An initial site visit was conducted in early May and was successful in confirming historical data and the collection of rock samples to confirm historical high-grade gold and silver results. A follow-up district-wide surface rock sampling program was completed during the summer of 2019 which further confirmed extensive historical gold and silver anomalies. Additionally, this sampling program supports the expansion of the previously identified B Zone and newly identified significant gold and silver mineralization in a broad area in the northwestern part of the project area.

### ***New Project - Gold Chain, Arizona***

During July 2018, Aura entered into an option agreement to earn a potential 100% interest in the Gold Chain project in western Arizona in order to diversify the Company's mineral property portfolio. Since this time, Aura has expanded its land position from 86 to 100 unpatented claims. The Company plans to initiate field work focusing on the known gold-bearing stockwork and breccia zones identified by past operators.

### ***Share Consolidation and Name Change Completed***

During November 2018, the shareholders of the Company approved a name change to Aura Resources Inc. and consolidation of the common shares of the Company on the basis of one (1) post-consolidation common share for every five (5) pre-consolidation common shares. This consolidation resulted in 27,490,128 common shares being outstanding during November 2018. The number outstanding and exercise price of all outstanding warrants, compensation options and stock options have been adjusted to give effect to the consolidation of share capital.

### ***Taviche Project, Mexico – Minaurum Gold New Operator***

During January 2019, the Company entered into a definitive agreement with Minaurum Gold Inc. (“Minaurum”) whereby Minaurum acquired an 80% interest in the Taviche, Mexico project. This transaction transfers operation of this silver-gold bearing epithermal system to an experienced and well financed operator in Mexico to ensure continued advancement of the project. The Company retains a free-carried 20% interest in the project which Minaurum has an option to acquire for CDN\$1,000,000. On April 17, 2019, the Company announced the closing of this agreement with Minaurum. The Company received an initial 100,000 common shares of Minaurum and a cash payment of \$39,452.

### ***Greyhound Project, Nunavut – 2018 Program Results Lead to 2019 Drilling***

Exploration during the 2019 field season continued at the Greyhound project in Nunavut where the Company’s partner Agnico Eagle Mines Limited (“Agnico Eagle”) had defined new drill targets. Highly conductive zones identified by an induced polarization (“IP”) geophysical survey during 2018 are located adjacent to previously discovered high grade Zn-Cu boulders and are prime targets for volcanogenic massive sulfide (“VMS”) discovery. A drill program commenced during May 2019, reporting of results from Agnico Eagle is pending.

### ***Private Placement Financing***

On May 29, 2019, the Company closed a private placement financing issuing 4,400,000 units at CDN\$0.05 per unit for gross proceeds of \$163,687 (CDN\$220,000). Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN\$0.07 per share until their expiry on May 29, 2022.

## SELECTED INTERIM INFORMATION

The following table contains selected interim financial information for the three and nine month periods ended September 30, 2019 and 2018.

	<b>Three month period ended September 30, 2019 \$ (unaudited)</b>	<b>Three month period ended September 30, 2018 \$ (unaudited)</b>	<b>Nine month period ended September 30, 2019 \$ (unaudited)</b>	<b>Nine month period ended September 30, 2018 \$ (unaudited)</b>
Revenue	Nil	Nil	Nil	Nil
Total expenses	(43,233)	(103,409)	(235,458)	(295,450)
Other income (loss)	(4,276)	Nil	26,957	Nil
Net loss for the period	(47,509)	(103,409)	(208,501)	(295,450)
Currency translation differences	117	2,042	(904)	(2,947)
Total comprehensive loss for the period	(47,392)	(101,367)	(209,405)	(298,397)
Net loss per common share: - Basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
		<b>As at September 30, 2019 (unaudited)</b>	<b>As at December 31, 2018</b>	
Total assets		238,672	164,402	
Cash dividends per common share		Nil	Nil	

Total expenses before other income (loss) were significantly lower by \$60,176 during the third quarter of 2019 when compared to the same quarter in 2018. Expenses in almost all categories were lower. Promotion expenses were \$15,511 lower during the quarter as a previous advertising and marketing contract completed its term in May 2019 and was not renewed. Professional fees relating to legal and audit were lower by \$5,836 due to lower legal fees in both Canada and Mexico. General and administrative costs were \$31,011 lower related to lower Chief Executive Officer fees following the CEO management change during 2018. Non-cash stock based compensation charges related to stock options were \$Nil during the third quarter of 2019 being \$8,143 lower than the third quarter of 2018. All stock options had vested prior to third quarter of 2019.

For the nine month period ended September 30, 2019, total expenses before other income were \$59,992 lower when compared to the same period during 2018. Significant variations in expenses included lower general and administrative costs of \$59,992 related to decreased CEO compensation. Stock based compensation charges related to stock options were lower by \$17,635. Project generation and evaluation costs of \$5,743 related to due diligence and site visit costs associated with the Jefferson Canyon, Nevada project with no similar costs in the prior period.

Other income during the nine month period ended September 30, 2019 included a realized gain of \$1,886 related to the sale of the common shares held in Minaurum Gold and a gain of \$25,071 on the sale of the 80% interest in the Taviche, Mexico property to Minaurum Gold.

## **OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

### **Mineral Exploration Properties and Deferred Exploration Expenditures**

During the nine month period ended September 30, 2019, the Company incurred a total of \$98,574 in mineral exploration property costs that were capitalized. This included cash option payments of \$30,275 and a total value of \$37,075 related to the issue of 300,000 common shares for the Gold Chain project as well as 670,000 common shares issued for the Jefferson Canyon project. Additionally, claim maintenance and annual renewal costs of \$31,224 were incurred for the Gold Chain and Jefferson Canyon projects. The sale of an 80% interest in the Taviche, Mexico project to Minaurum resulted in \$39,030 being netted against prior concession fee costs in Mexico.

During the nine month period ended September 30, 2019, the Company incurred initial costs related to the Jefferson Canyon, Nevada project of \$16,008 related to rock sampling and assay costs. An amount of \$1,700 in exploration expenditures for the Taviche project related to general field costs. An amount of \$6,222 in prior costs for Taviche, Mexico were offset by the sale to Minaurum.

Since June 2014, property maintenance and direct field exploration programs at Greyhound have been funded by Agnico Eagle under the terms of the option and joint operating agreements with Agnico Eagle.

### **Jefferson Canyon Project – Nevada, USA**

On March 4, 2019, the Company announced that it had entered into a non-binding letter agreement with Thorsen-Fordyce Merchant Capital Inc. and TF Minerals (USA) Inc. (together, the “TF parties”) relating to the Jefferson Canyon gold-silver project (“JCP”) in southern Nevada, Nye County. The agreement covers 57 unpatented claims located about nine kilometres northeast of Kinross's Round Mountain gold mine.

A site visit was conducted in early May and was focused on confirmation of historical data and the collection of rock samples to confirm historical results. The rock sampling conducted during due diligence consisted of just seven samples from the A Zone and B Zone. All samples returned anomalous gold and silver values with significant high-grade results taken from the B Zone with one sample grading up to 26.1 g/t gold and 2,975 g/t silver. These results are viewed as confirmation of historical surface sampling results.

On May 31, 2019, the Company concluded a definitive option agreement for the JCP. Under the terms of the agreement the Company can earn a 100% interest in 28 claims forming part of the Jefferson Canyon property held directly by the TF parties by making: (i) an initial common share payment to the TF parties valued at \$25,000 upon receipt of TSX Venture Exchange approval (issued during June 2019); (ii) five additional annual payments valued at \$25,000 on May 31, 2020, through 2024, which may be paid in common shares and/or cash at the option of the company; and, (iii) a cash payment by May 31, 2025, of \$250,000.

Additionally, under the terms of the definitive option agreement, the Company has assumed responsibility for an underlying option agreement, initiated in September, 2015, between Thorsen and an individual claim holder whereby Thorsen has the right to earn a 100% interest in 29 claims comprising the balance of the Jefferson Canyon project. The underlying agreement requires annual advance royalty payments by September 14 during 2017 through 2030 with payments totalling \$425,000 (\$5,000 has been paid by Thorsen with a balance of \$420,000 due at initiation of the option agreement). The annual payment schedule

comprises \$10,000 due September, 2019 (paid), \$15,000 in 2020, after which the annual payment increases by \$5,000 per year until 2026 and is followed by four annual payments of \$50,000 for 2027 to 2030. The option to acquire a 100% interest in the 29 claims is exercisable at any time during its term by paying \$500,000 in advance royalty payments (any annual advance payments made would be deducted from the total payment upon exercise of the option).

The Company is responsible for annual claim maintenance fees and has committed to minimum exploration work expenditures of \$100,000 by the second anniversary of the agreement on May 31, 2021. Additionally, the 28 claims held by the TF parties are subject to a 3% net smelter return royalty and the 29 underlying claims are also subject to a 3% NSR. Each of these NSR obligations are subject to separate buyback provisions whereby up to 2% of each NSR can be purchased by the company for \$1 million for each 1%.

The JCP contains a large volcanic-hosted epithermal Au-Ag system that is essentially the same age as the nearby Round Mountain deposit, a world-class low-sulfidation (LS) epithermal deposit. Both are hosted in felsic ash-flow tuffs along the margins of calderas and both contain a strong northwest-trending structural control to veins.

The Ag: Au ratio at the JCP is highly variable with a Ag- and base-metal rich core and outer ring hosting strong Au-As-Sb-Hg values. This outer ring is more akin to classic LS systems, like Round Mountain. The core area is more typical of intermediate sulfidation (IS) epithermal vein systems in which Au is coincident with high Ag, Cu, Pb, Zn and Mn. Extensive areas of gold and silver values were identified in historical drilling but have not been confirmed: Central Ag-rich Zone: 47.2m @ 78.8 g/t Ag; 42.7m @ 54.5 g/t Ag; 48.8m @ 80.7 g/t Ag; and, 27.4m @ 0.88 g/t Au. Results from the Peripheral Au-rich Zone include: 19.8m @ 0.99 g/t Au; 25.9m @ 8.63 g/t Au; 44.2m @ 1.13 g/t Au; 32m @ 0.85 g/t Au; and, 56.4m @ 0.63 g/t Au.

Modern exploration in the JCP area began in the late 1960's when drilling of at least 134 holes comprising 17,979 m (58,985 ft) was completed in several campaigns between 1969 and 1986; nearly all of this drilling was reverse circulation. Since that time, geophysical studies were conducted over the extensive Au-Ag anomaly revealing strong alteration within the intra-volcanic package. Technological advances in mineral identification found in altered rocks, i.e. multi-spectral analysis, will provide Aura with the ability to 'fine-tune' the existing alteration model and, possibly, expansion of an emerging resource.

During late June 2019, Company geologists returned to JCP to conduct a more extensive rock sampling campaign comprising 47 new rock samples. Results from this campaign and their integration with 836 historical samples from the JCP database were announced on September 23, 2019. The gold results support the aerial expansion of the B Zone, located several hundred metres to the north. Additionally, significant gold and silver mineralization was identified in a broad area in the northwestern part of the project (Northwest Gold Zone), measuring hundreds of metres across. The five samples collected here are anomalous, with values of up to 15.2 grams per tonne gold and 421 grams per tonne silver.

Mr. Robert Johansing, MSc, P.Geo., Chief Executive Officer and a director of the Company, is Aura's qualified person (as defined by National Instrument 43-101) for the Jefferson Canyon project and has reviewed and approved the scientific and technical information contained in this MD&A.

## **Gold Chain Project – Arizona, USA**

### ***Property Background***

On July 30, 2018, the Company announced that it had entered into a binding letter agreement for an option to acquire a 100% interest in the Gold Chain project located in Mohave County, Arizona. The initial project comprised 86 Bureau of Land Management lode mining claims in western Arizona, where work conducted

by prior operators has indicated the property is prospective for gold. Consideration payable to earn a 100% interest in the project is payable in annual instalments over a four-year period from inception and consists of a total of \$1.5 million in cash (with \$1,290,000 of that payable on or before the fourth anniversary on July 30, 2022) and a total of 750,000 common shares of the Company. The initial 150,000 share payment was completed during March 2019 and the first anniversary share payment during July 2019. The vendors of the property hold a 2% net smelter return royalty (NSR) on gold and silver. The Company has the right to buy down the NSR in increments of 1% by paying the vendors the sum of \$1 million for each 1% of the NSR at any time prior to completion of the first year of commercial production.

Following initial evaluation of the historical technical data base for the Gold Chain project and a field visit during the fall of 2018, an additional 14 claims were staked to cover newly interpreted structural projections, bringing the total project claims to 100. These additional claims fall into an area of interest defined in the letter agreement. On February 4, 2019, the Company completed a definitive legal agreement with the vendors of the Gold Chain project incorporating all of the terms of the letter agreement and other standard industry terms.

The Gold Chain project consists of several mineralized exposures, over five kilometres, composed of epithermal-style gold mineralization. Some of these exposures were mined on a limited scale prior to 1940 and were explored by several companies during the 1980s. Mineralization occurs along a low-angle unconformity or detachment fault where mid-Tertiary volcanics rest directly on Precambrian rocks. The gold-bearing rock is characterized by quartz-calcite veinlets or stockwork in silicified and hematized volcanics in the hangingwall of the detachment fault. Several analogous deposits have been productive in the region. Historical records reveal that drilling identified oxidized conditions extending to at least 100 metres below the surface, a condition favourable for gold recovery by leaching. The Company has commenced historical data compilation and is planning field studies necessary for the construction of geologic and geochemical models which are required for the design of a drill program.

Mr. Robert Johansing, MSc, P.Geo., Chief Executive Officer and a director of the Company, is Aura's qualified person (as defined by National Instrument 43-101) for the Gold Chain project and has reviewed and approved the scientific and technical information contained in this MD&A.

## **Greyhound Project – Nunavut, Canada**

### ***Property Background***

During June 2006, the Company initiated its Greyhound project in the central Churchill region of Nunavut, Canada, staking 10 claims for a total of 10,451 hectares. From 2008 to 2011, the Company increased its land holdings in the Whitehills area to a total of 57 claims comprising over 55,000 hectares. Since that time, a total of 44 low priority claims have lapsed. Currently, the Greyhound project comprises a total of 13 claims covering approximately 13,586 hectares. These 13 claims are subject to a joint operating agreement with Agnico Eagle (see below). The original 10 project claims have been converted to mining leases under Nunavut Mining Regulations.

During June 2014, the Company entered into a definitive option agreement with Agnico Eagle which allowed Agnico Eagle to earn an interest in the 13 claims comprising the Greyhound project. Under the terms of the option agreement, over the first three years of the agreement, Agnico Eagle had the exclusive right to earn an undivided 51% ownership interest by meeting annual commitments that totalled CDN\$210,000 in cash payments to the Company and incurring CDN\$1,750,000 in exploration work expenditures on the project.

Agnico Eagle completed all requirements to earn a 51% interest effective June 1, 2017. From June 1, 2017 forward, the 13 claims became subject of a joint operating agreement between the Company and Agnico

Eagle. Work programs are to be established by a management committee comprised of one representative from each of the Company and Agnico Eagle. If either party to the joint operating agreement fails to fund its pro-rata share of approved exploration programs its interest in the project will be diluted on a pro-rata basis. As at September 30, 2019, the Company's ownership interest in the Greyhound project was 43.54%. If any party's interest in the project falls below 10% then that party will forfeit their 10% interest and in return will receive a 2% NSR. The other party may at any time purchase one-half of the NSR, namely a 1% NSR, for an amount of CDN\$2,000,000. Agnico Eagle is the operator of the project.

The Company originally staked the Greyhound precious and base metals prospect based on historical assays from prospecting with samples assaying 1,480 and 3,080 g/t Ag from other exploration companies that were supervised by Company geologists at that time.

The Greyhound property is located north of the community of Baker Lake, Nunavut and south of Agnico Eagle's Meadowbank Gold Mine which has been in commercial operation since 2010. An all-weather road to the Meadowbank Mine from Baker Lake crosses portions of the Greyhound property enhancing the project's infrastructure and setting the project apart from many exploration projects in the north.

#### ***Greyhound project expenditures and interest***

Cumulative expenditures incurred by Agnico Eagle for Greyhound project exploration totaled approximately CDN\$1,846,000 as at May 31, 2017. This level of expenditures exceeded the minimum expenditure requirement of CDN\$1,750,000 required under the option agreement. Expenditures incurred relating to the initial Spring 2017 drilling program were approximately CDN\$575,000 while prior expenditures were CDN\$1,271,000. Since June 2014, direct field exploration programs at Greyhound have been funded by Agnico Eagle under the terms of the option agreement as detailed above.

During the earn-in phase of the option agreement, the Company received a total of CDN\$210,000 in cash option payments from Agnico Eagle. During June 2017, the Company received formal notice of Agnico Eagle's exercise of the first option to complete the earn-in of a 51% interest in the Greyhound project.

As at September 30, 2019, the Company's interest in the Greyhound project was 43.54%. Total cumulative expenditures of \$2,180,714 were incurred by Agnico Eagle up to December 31, 2018. If the Company elects not to fund, or is unable to fund current or future expenditures, its interest in the Greyhound project would be further diluted.

#### ***Agnico Eagle Exploration Programs 2018 and 2019***

During the 2018 field season, Agnico Eagle undertook surface mapping, induced polarization ("IP") geophysical surveys, till sampling and drilling on two newly defined targets. This work was focused primarily on gold targets at two distinct areas around Aura Lake. These two target areas, the northwest fold area and South Aura Lake, were selected for additional work, including diamond drilling.

The 2018 fieldwork has led to the discovery of a base and precious metal target at Greyhound. Agnico Eagle completed an extensive set of induced polarization geophysical surveys, including a previously untested area in the central part of the property. These new data, combined with Aura's earlier discovery of zinc-copper-silver-rich boulders, a gold-rich vein system, field mapping and lithochemical sampling, have enabled the identification of a priority exploration target to be drill tested in 2019. The highly conductive zones are prime targets for VMS discovery. Drilling in 2019 commenced during May 2019, reporting of results from Agnico Eagle is pending.

During the initial phase of exploration in 2006, Aura discovered a series of massive sulphide boulders, ranging from 50 centimetres to one metre in diameter, in a dry stream channel immediately adjacent to the all-weather road to the Meadowbank mine. Analytical data for these boulders illustrates their high base

metal contents. Field examination determined that these were glacially transported from the east, based on the measurement of glacial striae and key soil geochemical indicators. Given the fragility of these boulders, the transport distance is most probably approximately two kilometres. The recent IP survey in this area has identified three en echelon distinctly conductive areas. The footwall strata beneath these geophysical targets are strongly sodium (Na) and europium (Eu) depleted, excellent indicators of a volcanogenic massive sulphide-type hydrothermal discharge system. One outcrop to the west is Eu enriched, a possible indicator of hangingwall alteration. Outcrop in this area of the Archean Meadowbank formation is sparse. A sample from a distinctive quartz vein system immediately to the south of these conductors contains 14.6 grams per tonne gold, another excellent target area for additional drilling.

### ***Agnico Eagle Exploration and Drill Programs 2014 to 2017***

The 2014 exploration program conducted by Agnico Eagle consisted of surface sampling, as well as a drill program designed to explore coincident structural and conductive targets. The highlight of these programs was the confirmation of the presence of high-grade gold, silver and copper sulphide occurrences located within the Greyhound property with the highest gold sample returning 15.5 g/t; the best silver sample returning 3,850 g/t; and, copper samples assayed up to 3.3%. As expected, the highest gold / silver values occurred primarily south of Aura Lake while the highest copper value is to the northeast of Aura Lake at the Dingo zone showing. The diamond drilling program consisted of 7 holes (894 metres) and tested various structural and conductive targets across the property. This program did not intersect economically significant precious metal values.

In 2015, Agnico Eagle initiated Phase 2 drilling and other exploration programs. Drilling was completed by September and comprised a total of 1,557 metres in 8 holes.

The best hole (GHD15-017) located east of Aura Lake discovered a stockwork with an intersection of greater than 25 metres of silicification and quartz-carbonate veining within mafic volcanics. Of particular note is that the last 1.5 metres of the 195 metre length of core contains 6.41 g/t gold. In addition, one other hole (GHD15-012) located in the Dingo area intersected 3.31 g/t Au over 2.7 metres (includes 1.5 metres of 5.68 g/t Au). No other significant gold mineralization was intersected in other holes drilled. Follow up of the results of GHD15-017 was carried out during 2017 and failed to enlarge the area of mineralization.

A geophysical survey (IP) was recommended to cover the area east and north of GHD15-017 in order to confirm the extent and strength of this potentially highly mineralized stockwork zone. Grab samples in the Dingo area contain up to 14.6 g/t gold.

Additionally, during the 2015 field season Agnico Eagle completed a land survey of the boundaries of 10 claims forming part of the core southwestern Greyhound project claims in order to support registration of the claims as a mining lease. Final submission of this survey and application for lease was submitted to authorities during March 2016. Final approval by Government authorities is anticipated but remains pending.

In 2016, a property-wide ground magnetic (MAG) geophysical survey was completed to better interpret structural features known to host gold ore deposits. Additionally, extensive mapping and prospecting within the area of the MAG survey was conducted. Results were positive, with eight assays over 2.0 g/t Au and three samples over 10.0 g/t Au. Values as high as 15.6 g/t Au (18.93 g/t) were found in sulphide-rich quartz veins in mafic volcanics. In all, 10 assays reported grades in a range exceeding 1.0 g/t.

A new gold showing was located eight kilometres northeast of a target at Aura Lake, and was named the Gilmore prospect. This prospect area measures 500 by 360 metres in size. Also, during 2016, the highest grade of 15.6 g/t Au (18.93 g/t) was sampled from a quartz vein containing copper and lead mineralization.

In addition, another significant high-grade sample assaying 13.26 g/t Au was reported. Two diamond drill holes into this zone in 2017 failed to confirm surface mineralization.

The Spring 2017 drilling program commenced in April 2017 with the first phase comprising eight holes completed by the end of May. Agnico Eagle undertook a second phase of drilling comprised of two additional holes during July 2017 to follow up on encouraging results from the first phase. In total, the 2017 drilling program comprised 2,262 metres within ten drill holes; 8 around Aura Lake and 2 on the Gilmore vein.

Close to the south end of Aura Lake where past prospecting uncovered surface samples containing gold up to 28 g/t, hole GHD17-023 targeted a magnetically interpreted structural target and intersected quartz veining assaying 3.3 g/t Au over a core length of 3.0 metres (from 94 to 97 m) which included a shorter interval of 1.8 metres assaying 5.42 g/t Au. Deeper in the hole were several intersections of gold mineralization: from 100 to 109.5 metres assaying from 0.2 to 0.45 g/t Au; at 138 metres 1.38 g/t Au over 1.5 metres; and at 179.3 metres 0.993 g/t Au over 1.7 metres. Shorter holes were drilled on either side of GHD17-023 which both intersected similar quartz veins suggesting that the mineralization in GHD17-023 was not isolated but may form part of a quartz vein system within a large siliceous, sulfide-bearing, sericite alteration zone. Hole GHD17-026 hit 1.202 g/t Au over 3.6 metres (62.2 to 65.8 m) including 0.8 metre of 4.92 g/t Au at 63.5 metres. Hole GHD17-027 intersected 0.197 g/t Au from 38.2 to 41.3 metres (3.1 m) and 0.94 g/t Au at 42.1 metres. This is the first time in a drill program on the property that continuity of mineralization has been established.

In the northeastern portion of the claim group, a long, linear quartz vein was traced over 1.7 kilometres in strike length. Prior grab samples collected from this vein, referred to as the Dingo zone, assayed from 1.18 g/t Au up to 126 g/t Au (unverified) and 96.6 to 356 g/t Ag. West of this vein a gossanous copper rich stringer zone assayed 0.896 g/t Au in one grab sample. The copper gossan zone target has not been drilled and further IP geophysical surveys, prospecting and diamond drilling are recommended.

The 2017 field program also included a rock sampling survey conducted on a small area to the northwest of Aura Lake and confirmed the presence of the gold anomaly found in previous prospecting campaigns. Samples taken in this area have returned anomalous Au values with one sample returning 2.1 g/t gold and two samples returning 0.55 g/t gold and 0.59 g/t gold respectively. An iron formation has been mapped in the area which has been affected by the presence of a major fold hinge and faulting. Additional work in this northwest zone is ongoing in 2018 and includes detailed mapping and an induced polarization geophysical survey followed by drilling.

### ***Aura Exploration Programs 2006 - 2013***

From 2006 to 2009, several airborne geophysical surveys were flown. Samples collected in 2007 contained up to 2.4% zinc (Zn), 1.02% copper (Cu), 8.1% lead (Pb), 10g/t gold (Au) and 51 g/t silver (Ag) highlighting the potential for discovery of VMS (volcanogenic massive sulphide) deposits. In 2008, grab samples from float and subcrop near Aura Lake contained up to 4.1% Cu, 13.4% Zn, 8% Pb, 2,700 g/t Ag and 28 g/t Au and to the northeast of Aura Lake samples from a series of boulders contained up to 18.5% Zn and 9.2% Cu.

In spite of the prospective surface samples, the Company announced negative preliminary results of drilling and prospecting in 2010 for VMS deposits and redirected its program to focus on gold and silver. In 2010, the Company announced assay results from surface rock samples with gold contents as high as 28.2 g/t while silver contents are up to 5,380 g/t. Seven samples contain an average grade of 14.8 g/t Au (range from 0.3 to 28.8 g/t) and in the nearby area, carbonate quartz veins associated with alkaline dykes have an average grade of 1,472 g/t Ag (range from 21 to 5,380 g/t).

The 2011 fieldwork consisted of a multi-phase exploration program including prospecting and geological mapping, detailed soil sampling, ground geophysical surveying and diamond drilling. The 2011 drilling was conducted in two phases focused in the South Aura Lake area and later at the northeast claim group but results were not encouraging and no significant assay results were encountered.

Also, during 2011, the Company contracted for an interpretative study referred to as Spatiotemporal Geochemical Hydrocarbon (“SGH”) to unravel anomalous trends in the entire area and to pinpoint drill targets by geochemical means. The potential sources of high-grade gold boulders and subcrop samples (up to 28 g/t) and high-grade silver (up to 5,380 g/t) are thought to be in close proximity to Aura Lake due to the grouping of the high-grade surface showings in this area. In a review dated November 2017, Agnico Eagle acknowledged that their interpretation of the source of high-grade gold lies to the south of Aura Lake.

Dr. James M. Franklin, PhD, FRSC, P. Geo., a director of the Company, is Aura’s qualified person (as defined by National Instrument 43-101) for the Greyhound, Nunavut property and has reviewed and approved the scientific and technical information contained in this MD&A.

## **Taviche Project – Oaxaca, Mexico**

### ***Property Background***

The Taviche project is comprised of the Higo Blanco concession covering 986 hectares and is subject to a 1.5% NSR held by Maverix Metals Inc.

On January 29, 2019, the Company announced it had entered into a definitive agreement with Minaurum Gold Inc. and its Mexican subsidiary whereby Minaurum acquired an initial 80% interest in the Taviche project for the following consideration: (i) the issuance of 100,000 common shares of Minaurum; (ii) the reimbursement of all Taviche project concession fees paid by the Company during 2018 and payment of the remaining concession fees to bring the property into good standing until January 31, 2019, to a maximum of \$80,000; and, (iii) the issuance of an additional 100,000 common shares of Minaurum upon receiving all relevant approvals and consents required to be obtained for the commencement of exploration and drilling activities at the Taviche project. Upon acquiring the initial 80% interest, Minaurum will act as operator of the Taviche project having exclusive authority and control over the direction and management of the business and operations of the project.

Additionally, the Company has granted Minaurum an exclusive option to acquire the remaining 20% of the Taviche project for a purchase price of CDN\$1,000,000. Until exercise of this option, the Company's 20% interest shall be free carried with no obligation to co-finance project costs and will not be subject to dilution.

On April 17, 2019, the Company announced the closing of this agreement with Minaurum. The Company received 100,000 common shares of Minaurum and a cash payment of \$39,452 on closing.

### ***Higo Blanco Prospect / Early Exploration***

Reconnaissance activities in the East Taviche and Alma Delia concessions during 2007 and 2008 delineated a corridor of northwest-trending gold and silver-bearing quartz-sulfide-carbonate veins, vein breccia and stockwork lenses. In proximity to where these vein systems intersect the underlying Cretaceous limestone, a zone of extensive silicification includes areas of silver-gold-bearing jasperoid (a siliceous replacement of the carbonate sedimentary strata). The Higo Blanco prospect is a series of jasperoid occurrences over a strike length of approximately 7 kilometres. Follow-up mapping and sampling in 2008 enabled the Taviche JV to define several drill targets, initially within a small portion (~2 kilometres) of the overall strike length of the vein/jasperoid complex.

Further sampling at Higo Blanco revealed a very large Au-Ag-Sb (gold, silver, antimony) anomaly

associated with a major NW-trending zone referred to as the Mezcal structure.

During the period from mid 2009 to 2011, the Company completed four phases of drilling comprising a total of approximately 7,925 metres of diamond drilling in 35 holes with some silver contents in excess of 300 grams/tonne (g/t) encountered in 9 of the 22 holes, and gold contents in excess of 0.5 g/t encountered in 14 of the holes. During March 2010, the Company initiated a Phase III drilling program to follow up on the encouraging initial results obtained in 2009 drilling. This drilling extended the silver and gold targets.

#### ***Higo Blanco National Instrument 43-101 Technical Report***

During September 2011, a National Instrument 43-101 (“43-101”) technical report entitled “*Taviche Project, Resource Estimate and Preliminary Economic Assessment for the Higo Blanco Project*” was finalized. The 43-101 Report included an initial resource estimate and a mineral potential estimate for Higo Blanco as follows.

#### ***Inferred Resource Estimate***

The 43-101 report provides estimates of an Inferred silver resource of 865,000 tonnes at a grade of 119 g/t for 3.3 million ounces of contained silver and an Inferred gold resource of 3.3 million tonnes at a grade of 0.51 g/t for 54,000 ounces of contained gold. The resource estimate is based on intercepts from 14 drill holes undertaken by the Company with core lengths ranging from 63.5 metres to 161.6 metres. The intercept values for gold and silver provided have been weighted and summed as a global estimation of grade within a geometric envelope referred to as the ‘deposit’.

#### ***Mineral Potential Estimate***

Additionally, the 43-101 Report includes an estimation of “Mineral Potential” located near or within its seven kilometre-long by 300 metre-wide Higo Blanco jasperoid-altered area on the East Taviche and the former Alma Delia concession which the Company has since dropped. This exploration target mineral inventory is estimated to be between 6.0 million and up to 29.0 million ounces of silver (2 to 6 million tonnes at a grade of 100 to 150 g/t) and between 108,000 and up to 450,000 ounces of gold (10 to 20 million tonnes at a grade of 0.4 to 0.7 g/t).\*

***\* Note that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to date to define this as a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.***

#### ***2014 / 2015 Soil Survey and Spatiotemporal Geochemical Hydrocarbon Analysis***

During June of 2014, the Company initiated an extensive soil sampling program across a 5 kilometre-long portion of the Higo Blanco trend. Analysis of these samples yielded sizeable anomalous zones characterized by Spatiotemporal Geochemistry Hydrocarbon (“SGH”) analysis by Actlabs, a fully certified analytical lab in Ancaster, Ontario. During the fall of 2014, an infill sampling program was conducted across the main anomalies to better define their shape and extent. All samples, from phase 1 and 2, were then analyzed using SGH analysis.

One of the SGH pods identified by the survey results is coincident with the Company’s silver resource as defined by the 43-101 report. None of the additional identified pods have been prospected or drill tested. Additionally, at the northern end of the Higo Blanco trend located 3 kilometres from the resource, there is a strong gold anomaly with an adjacent and overlapping silver target but both are interpreted to be deeper. Neither has been mapped, trenched or drill tested.

Mr. Robert Johansing, MSc, P.Geol., Chief Executive Officer and a director of the Company, is Aura’s qualified person (as defined by National Instrument 43-101) for the Taviche project and has reviewed and approved the scientific and technical information contained in this MD&A.

## **Expenses**

Total expenses before other loss for the three month period ended September 30, 2019 were \$43,233 (Q3 2018 – \$103,409). Total expenses before other income (loss) were significantly lower by \$60,176 during the third quarter of 2019 when compared to the same quarter in 2018. Expenses in almost all categories were lower. Promotion expenses were \$15,511 lower during the quarter as a previous advertising and marketing contract completed its term in May 2019 and was not renewed. Professional fees relating to legal and audit were lower by \$5,836 due to lower legal fees in both Canada and Mexico. General and administrative costs were \$31,011 lower related to lower Chief Executive Officer fees following the CEO management change during 2018. Non-cash stock based compensation charges related to stock options were \$Nil during the third quarter of 2019 being \$8,143 lower than the third quarter of 2018. All stock options had vested prior to third quarter of 2019.

Total expenses before other income for the nine month period ended September 30, 2019 were \$235,458 (2018 – \$295,450). For the nine month period ended September 30, 2019, total expenses before other income were \$59,992 lower when compared to the same period during 2018. Significant variations in expenses included lower general and administrative costs of \$59,992 related to decreased CEO compensation. Stock based compensation charges related to stock options were lower by \$17,635. Project generation and evaluation costs of \$5,743 related to due diligence and site visit costs associated with the Jefferson Canyon, Nevada project with no similar costs in the prior period.

## **Other income (loss)**

During the third quarter of 2019, a loss on the Minaurum marketable securities of \$4,276 was incurred. Other income during the nine month period ended September 30, 2019 included a realized gain of \$1,886 related to the sale of the common shares held in Minaurum Gold and a gain of \$25,071 on the sale of the 80% interest in the Taviche, Mexico property to Minaurum Gold.

## **Net Loss and Net Loss per Common Share**

Net loss for the three month period ended September 30, 2019 was \$47,509 (Q3 2018 – \$103,409) and basic and diluted loss per common share was \$0.00 (Q3 2018 – \$0.00). Net loss for the nine month period ended September 30, 2019 was \$208,501 (2018 – \$295,450) and basic and diluted loss per common share was \$0.01 (2018 – \$0.01).

## **LIQUIDITY AND CAPITAL RESOURCES**

As at September 30, 2019, the Company held cash of \$54,112 (December 31, 2018 – \$21,468) and had a working capital deficiency of \$308,853 (December 31, 2018 – \$258,778). Existing funds on hand at September 30, 2019 will not be sufficient to retain certain of the Company's property interests, to conduct or co-fund exploration on the Company's projects or to continue operations during the coming year. The Company will require additional funding to be able to advance and retain mineral exploration property interests and to meet ongoing requirements for general operations.

During 2018 and 2019 to date, the Company has announced option agreements for the Jefferson Canyon, Nevada and Gold Chain, Arizona projects and the transaction with Minaurum for the Taviche, Mexico project where Minaurum is now operator. Exploration programs continue at the Greyhound project operated by Agnico Eagle. The addition of prospective new projects in mining friendly jurisdictions is a focus of the Company's strategy to enhance investor interest.

On May 29, 2019, the Company closed a private placement financing issuing 4,400,000 units for gross proceeds of \$163,687 (CDN\$220,000). During June 2018, the Company closed a private placement financing issuing 1,866,800 units for gross proceeds of \$216,555 (CDN\$280,020).

Agnico Eagle funded all exploration costs at the Greyhound project under the terms of the option agreement established during June 2014 up until their earn-in on June 1, 2017. After this time, the Company is required to co-fund its pro-rata share of ongoing exploration costs for the Greyhound project under the terms of the joint operating agreement or its ownership interest will be diluted. On May 30, 2017, the Company received the third and final anniversary cash option payment of \$81,761 (CDN\$110,000) from Agnico Eagle. No additional cash option payments remain payable under the agreement with Agnico Eagle. If the Company does not co-fund ongoing exploration for the Greyhound project its interest in the project will be diluted. As at September 30, 2019, the Company's interest in the Greyhound project was 43.54%.

During January 2019, the Company entered into a definitive agreement with Minaurum Gold Inc. whereby Minaurum acquired an 80% interest in the Taviche, Mexico project. This transaction transfers operation of the Taviche project to an experienced and well financed operator in Mexico to ensure continued advancement of the project. The Company retains a free-carried 20% interest in the project which Minaurum has an option to acquire for CDN\$1,000,000. An additional 100,000 common shares of Minaurum remains payable to the Company upon receipt of all relevant approvals and consents for commencement of exploration and drilling activities at the Taviche project.

The Company continues to evaluate new exploration projects and potential transactions to advance its existing exploration projects. However, there is no assurance that the Company will be successful in negotiating additional joint ventures or other transactions or that the terms would be acceptable.

#### **Private placement financings**

On May 29, 2019, the Company closed a private placement financing issuing 4,400,000 units for gross proceeds of \$163,687 (CDN\$220,000). Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN\$0.07 until their expiry date on May 29, 2022. In connection with this private placement, the Company paid finders' fees of \$3,554 (CDN\$4,800) and issued 96,000 compensation options. Each compensation option entitles the finder to acquire a unit (having the same features as described above) at an exercise price of CDN\$0.05 per unit and is exercisable until May 29, 2022.

During June 2018, the Company closed a private placement financing issuing 1,866,800 units for gross proceeds of \$216,555 (CDN\$280,020). Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN\$0.25 per share until their expiry on June 1, 2021. In connection with this private placement, the Company paid finder fees of \$7,409 (CDN\$9,600) and issued 64,000 compensation options. Each compensation option entitles the finder to acquire a unit (having the same features as described above) at an exercise price of \$0.25 per unit and is exercisable until June 1, 2021.

The Company has financed its operations from inception to date primarily through the issuance of equity securities. The Company is dependent on raising additional funds in order to finance future exploration programs and to meet requirements for administrative and other operating costs. The Company's operations do not generate cash flows. The Company's financial success is dependent on its ability to discover economically viable mineral deposits on its properties. The mineral exploration process can take many years and is subject to a number of factors many of which are beyond the Company's control (see *Risks and Uncertainties*).

### **Contractual Obligations**

The Company does not currently have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments.

### **OUTSTANDING SHARE DATA**

Information with respect to outstanding common shares, warrants, compensation options and stock options as at November 28, 2019, September 30, 2019 and December 31, 2018 is as follows:

	<b>November 28, 2019</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Common shares	32,860,128	32,860,128	27,490,128
Warrants	9,823,943	9,823,943	5,423,943
Compensation options	223,262	223,262	127,262
Compensation option warrants	223,262	223,262	127,262
Stock options	1,660,000	1,660,000	740,000
Fully diluted shares outstanding	44,790,595	44,790,595	33,908,595

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, currency risk and interest rate risk are disclosed in note 11 to the Company's consolidated annual financial statements for the years ended December 31, 2018 and 2017.

### **PROPOSED TRANSACTIONS**

As is typical of the mineral exploration and development industry, the Company periodically reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of all liability and equity instruments including flow-

through share premiums, warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 2 to the condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2019 and 2018.

## **NEW ACCOUNTING STANDARDS**

### **New and revised accounting standards**

#### ***IFRS 9 – Financial Instruments***

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* (IFRS 9) which replaces International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management.

The Company adopted IFRS 9 effective January 1, 2018 on a full retrospective basis. There was no impact from this adoption on the Company's results of operations, financial position, and disclosures.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in the annual Management's Discussion and Analysis dated April 29, 2019 which is filed on SEDAR.

## **OTHER INFORMATION**

Other information relating to the Company may be found on the SEDAR website at [www.SEDAR.com](http://www.SEDAR.com).

## **CORPORATE INFORMATION**

### **Directors and Officers**

Robert Johansing, BSc., MSc. – President, CEO and Director

W. William Boberg, MSc., P. Geo. – Independent Director

James M. Franklin, PhD, FRSC, P. Geo. – Independent Director

John McNeice, CPA, CA – Chief Financial Officer and Corporate Secretary

### **Corporate Office**

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### **Independent Auditor**

PricewaterhouseCoopers LLP, Ottawa, Canada

### **Corporate Legal Counsel**

Fasken LLP, Ottawa, Canada

### **Corporate Banker**

Royal Bank of Canada, Ottawa, Canada

### **Transfer Agent**

TSX Trust Company, Toronto, Canada