Management's Discussion & Analysis of

Financial Conditions & Results of Operations

December 31, 2016

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Background

This discussion and analysis of financial position and results of operations of Aurion Resources Ltd. (the "Company" or "Aurion") is prepared as of April 27, 2017 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016 where necessary. All dollar figures included therein and in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Company Overview

The Company is a prospect generator with a strategy to fund mineral exploration through partnership agreements. This approach significantly reduces the technical and financial risk for the Company, without losing exposure to the shareholder value enhancement of a major discovery.

The Company was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and listed on the TSX Venture Exchange ("Exchange") on October 3, 2008. Aurion and its wholly-owned subsidiaries, Minera Aurion de Mexico S.A. de C.V., Aurion Resources (US) LLC, Aurion Resources AB and Aurion Oy are engaged in the evaluation, acquisition and exploration of mineral properties in Canada, Mexico, the United States, Sweden and Finland respectively. The Company's primary focus is currently in Finland.

Mineral Properties

As at December 31, 2016

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties written down	Balance, End of Period
	$	$	$	$	$
Finland	**911,656**	**1,094,165**	**(357,000)**	**(5,977)**	**1,642,844**
United States	**420,887**	**1,558**	**-**	**(119)**	**422,326**
Mexico	**-**	**5,418**	**-**	**(5,418)**	**-**
	1,332,543	**1,101,141**	**(357,000)**	**(11,514)**	**2,065,170**

As at December 31, 2015

Geographical area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
	$	$	$	$	$
Finland	676,342	377,987	(124,500)	(18,173)	911,656
United States	1,169,213	11,907	-	(760,233)	420,887
Mexico	-	5,663	-	(5,663)	-
	1,845,555	395,557	(124,500)	(784,069)	1,332,543

The following provides details of exploration and evaluation asset additions by geographical area for the periods indicated:

	December 31, 2016				December 31, 2015			
	total	Finland /EU	United States	Mexico	total	Finland/ EU	United States	Mexico
	$	$	$	$	$	$	$	$
Aquisitions	529,478	529,478	-	-	192,785	182,785	10,000	-
Land Management	237,604	230,747	1,439	5,418	203,011	195,862	1,485	5,663
Assays	166,254	166,254	-	-	84,624	84,624	-	-
Field Supplies	32,283	32,283	-	-	13,185	13,185	-	-
Labour	377,419	377,419	-	-	134,471	134,471	-	-
Consulting Fees	54,842	54,842	-	-	20,064	20,064	-	-
Recon and Research	-	-			-	-	-	-
Freight	881	881	-	-	7,352	7,352	-	-
Miscellaneous	8,683	8,683	-	-	2,200	2,200	-	-
Surveying	-	-	-	-	-	-	-	-
Database	77,876	77,876	-	-	-	-	-	
Travel	80,356	80,356	-	-	22,076	22,076	-	-
Accomodations	51,187	51,187	-	-	16,567	16,567	-	-
Meals	33,967	33,967	-	-	11,905	11,905	-	-
Equipment and Rentals	101,016	100,897	119	-	74,466	74,045	421	-
Total expenditures	1,751,846	1,744,870	1,558	5,418	782,707	765,137	11,907	5,663
Financed by Partners	(650,705)	(650,705)	-	-	(387,150)	(387,150)	-	-
Total Additions	1,101,141	1,094,165	1,558	5,418	395,557	377,987	11,907	5,663

FINLAND

Since starting its initiative in Finland in early 2014, the Company has assembled approximately 300,000 hectares of mineral tenements in the Central Lapland Greenstone Belt (CLGB) of Northern Finland. This geological setting is highly prospective for gold, platinum group element and base metal deposits.

a) On March 4, 2014, the Company announced that it had signed a binding Letter of Intent with Dragon Mining Limited ("Dragon") to acquire a 100% interest in two advanced exploration projects in the CLGB of northern Finland (**Kutuvuoma** and **Silasselkä** (renamed **"Sila"**)). According to the terms of the Letter of Intent, the Company finalized and signed a definitive Purchase Agreement on May 26, 2014. Pursuant to the terms of the Purchase Agreement and subject to regulatory approvals, the Company is required to issue a total of 6,000,000 common shares to Dragon in four tranches over three years. The first three tranches of shares will be held in escrow for eighteen months from the date of the issuance of the first tranche on signing. The Company has also committed to incur a total of €1,000,000 in expenditures on these properties over three years. There are no firm work commitments in the first two years, other than maintaining the tenements in good standing. In addition, Dragon will retain a 3% Net Smelter Royalty ("NSR") on any deposit mined by the Company within the projects or any defined Area of Interests. The NSR can be purchased at any time on or before the sixth anniversary of signing the Purchase Agreement with a single cash payment of €4,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of €2,000,000 in cash or equivalent in common shares of the Company for the defining of 1,000,000 ounces of gold material and € 1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional 1,000,000 ounces of gold equivalent material within the projects and the defined Area of Interests.

On September 8, 2014, the Company issued the first tranche of 2,000,000 shares to Dragon. The second tranche of 1,000,000 shares was issued to Dragon on November 14, 2014 and the third tranche of 1,000,000 shares was issued to Dragon on January 6, 2015. The final tranche of 2,000,000 shares was issued to Dragon on May 20, 2016.

On March 3, 2015, the Company announced that it had signed a Letter Agreement with Dragon amending the terms of the original Purchase Agreement dated May 26, 2014. The amendments include the removal of the Right of First Refusal clause, the inclusion of an additional clause in relation to Confidential Information and the relaxing of the time period before the Company can seek a third party partner. As compensation for the amendments, the Company will issue a total of 750,000 common shares at a deemed value of $0.05 per share, over and above those shares to be issued pursuant to the original Purchase Agreement. 250,000 common shares will be issued to Dragon upon execution of the Letter Agreement and 500,000 common shares will be issued to Dragon either a) at the same time of the issuance of the final installment of shares due pursuant to the Purchase Agreement, or b) on termination of the Purchase Agreement. The Company issued 250,000 to Dragon on March 24, 2015. The remaining balance of 500,000 common shares was issued to Dragon on May 20, 2016 concurrent with the issuance of the final installment of shares (see previous paragraph).

On September 1, 2016 Aurion notified Dragon that it had fulfilled all the requirements under the agreements thus earning its 100% interest subject to the aforementioned royalties.

b) On January 8, 2015, the Company signed a Definitive Agreement with AA Sakatti Mining Oy ("AA"), a wholly owned subsidiary of Anglo American, to purchase two land tenements covering 3,530 ha located immediately adjacent to the Company's **Kutuvuoma** project. Under the terms of the Agreement the Company will issue 1,000,000 shares and pay €50,000. AA will retain a 1% NSR which can be purchased for €1,000,000. AA can also back-in to any future Ni- PGM discovery for three times the Company's exploration expenditures or €1,000,000 whichever is greater. If there is appreciable gold in the backed-in Ni-PGM discovery the Company will receive a sliding scale royalty of between €7 and €15 per ounce produced based on the market gold price. The Company has paid €50,000 and on March 11, 2015, 1,000,000 shares were issued to AA.

c) On August 13, 2015, the Company signed a binding Letter Agreement with B2Gold Corp., ("B2Gold"), granting B2Gold the right to earn up to an undivided 75% interest of an approximately 25,000 ha project area that includes the **Kutuvuoma,** and **Ahvenjarvi** projects. Pursuant to the terms of the Letter Agreement, the Company formalized and signed a definitive Option Agreement with B2Gold on January 18, 2016.

Under the terms of the Letter Agreement B2Gold must complete $5,000,000 in exploration expenditures, pay Aurion $50,000 cash and issue 550,000 B2Gold shares over 4 years to earn a 51% interest. B2Gold can earn an additional 19% interest by spending a further $10,000,000 over 2 years.

B2Gold can earn an additional 5% interest (for a total of 75%) by completing a bankable feasibility study.

The first year commitment of $750,000 in exploration expenditures including 2000 m of drilling and payment of $50,000 cash and 50,000 B2Gold shares is guaranteed. The Company will be the operator until drilling commences. A finder's fee payable by the Company with respect to this transaction was settled on April 29, 2016 by the issuance of 1,476,750 common shares at a value of $0.13 per share.

As of April 27, 2017, B2Gold is in compliance with the terms of the agreement.

d) On December 5, 2016, the Company entered into an agreement with Tertiary Minerals plc ("Tertiary") for the purchase of two gold projects in Northern Finland. Aurion will pay £15,000 in cash and issue £85,000 in Aurion shares for a 100% ownership interest in both projects subject to certain royalties including a Pre-Production Royalty of US$1.00 to $3.00/ounce gold following the definition of a NI 43-101 (or equivalent) Code compliant Inferred, Indicated and/or Measured Mineral Resources Estimate respectively, on either project. Tertiary will retain a 2% Net Smelter Returns Royalty ("NSR") on all future gold production from either project of which Aurion can purchase 50% of the NSR from Tertiary for US$1,000,000 at any time prior to commencement of commercial production on either project. The sale is conditional upon the successful transfer of the exploration licences for each project from Tertiary to Aurion and Canadian regulatory approval.

Finland Projects

The Company currently holds several tenements covering approximately 300,000 hectares including the **Kutuvuoma** and **Ahvenjarvi** projects within the Central Lapland Greenstone Belt (CLGB) of the Fennoscandian Shield. These land holdings are located approximately 850 kilometers north of the Finnish capital of Helsinki and occur entirely north of the Arctic Circle. The Kittilä gold mine operated by Agnico Eagle Mines Limited (Agnico) is currently Europe's largest gold mining operation (7.7 M oz Gold: Agnico Annual Report) and is located in the CLGB approximately 37 kilometers to the northwest or **Kutuvuoma** in rock sequences of similar age.

Access to all the properties is very good, with forestry roads extending from paved highways providing access to the otherwise forested and undeveloped property areas. Topography in both cases is low and characterized by generally rolling hills with relief of less than 150 m. There are also almost daily flights from Helsinki to the nearby airport in the town of Kittila.

Most historic, economically important gold deposits of the CLGB occur in direct proximity to the metallogenically important "Sirkka Line" that is centered along the course of the Sirkka Shear Zone (SSZ), a major south dipping thrust fault system showing northeast transport that has been mapped for over 120 km along an east-southeast trend within the CLGB. The SSZ is characterized by numerous sub-parallel splays that also host important, structurally focused gold mineralization such as that present in the Pahtavaara deposit, located 30 km east of **Kutuvuoma**, and the Saattapora deposit located 55 km northwest of Kutuvuoma. A set of north-south trending strike-slip shear zones that depart northward from the SSZ are also important regional controls to gold mineralization, the most important of these currently being the Kiistala Shear Zone that hosts the previously mentioned Kittilä gold mine. The Hanhimaa Shear Zone (HSZ) parallels the Kiistala structure and is located about 10 km to the west of it. Several significant new gold occurrences on the Hanhimaa trend serve to identify this as an emerging regional-scale gold trend. The Company's **Sila** property strategically lies along strike to the north and covers an essentially unexplored, 13 km long interpreted northern extension of the favorable Hanhimaa trend.

KUTUVUOMA

Bedrock geology at **Kutuvuoma** is dominated by east to southeast trending Paleoproterozoic volcanic-sedimentary sequences of the CLGB's Savukoski Group and currently defined gold mineralization on the property occurs in association with sulphide-bearing quartz vein arrays, with disseminated sulphides in altered, albitic, silicious meta-mudstones and meta-igneous rocks as well as in sulphide matrix breccias. The main deposit at **Kutuvuoma** occurs as a moderately west-plunging zone localized along a south dipping, sheared graphitic unit within sheared and altered Savukovski Group country rocks. These include komatiites as well as graphitic-sulphidic schist, fine grained meta-sandstone and thin interbedded marble.

Historical Results

The **Kutuvuoma** deposit is a high-grade, shear zone hosted gold deposit that was discovered in the mid-1990's by the Finnish state entity Outokumpu Oy (Outokumpu), while exploring for base metals. Outokumpu drilled 47 shallow core and reverse circulation drillholes totalling 3,425 m, testing **Kutuvuoma** within a very small area (approximately 175 m horizontally and 175 m vertically). No other drilling or trenching was conducted since the mid-1990's. Numerous high grade drill intercepts including 7.2 g/t Au over 19.4 m from 60 m downhole, 13.2 g/t Au over 5.0 m from 88 m downhole and 12.6 g/t Au over 7.0 m from 26 m downhole were recorded from the historical drilling. True width of the mineralization is estimated to be approximately 70-80% of drill intercepts.

A surface bulk sample that reportedly produced about 72kg of gold was mined and processed at the nearby Pahtavaara mill by Terra Mining OY (TM) during the 1999-2000 period. Outokumpu prepared several mineral resource estimates for the deposit based on the drilling mentioned above, the most recent of which defined 67,600 tonnes of Indicated resource grading 6.95 g/t Au using a 40g/t Au top cut and 1.0 g/t Au cutoff (Hokka, et al., 1997). This estimate is historical in nature and is not compliant with National Instrument (NI) 43-101. A Qualified Person has not done sufficient work to classify the historical estimate and Aurion is not treating this as a current resource estimate. It should therefore not be relied upon.

Historical Exploration prior to Aurion on the large **Kutuvuoma** property has largely been focused in the immediate area of the drilled deposit, with only regional scale surveys being applied to a portion of the rest of the holding.

The Company has assembled a very large land position comprising approximately 25,000 hectares west and northwest of Kutuvuoma covering many gold prospects and significant geochemical anomalies over 30 km in an east-west trend, which is now the subject of an option and earn-in agreement with B2Gold.

Field Program 2015

Two new trenches were excavated in June 2015. The first (4NA) 370 m west of the **Kutuvuoma** main zone and immediately west of Trench 4 (excavated in 2014) returned a length weighted average assay of 7.4 g/t Au over 9.6 m. Individual samples assayed from 1.8 g/t to 26.9 g/t Au as presented in the table below. The samples were collected as continuous chip-channel samples across the strike of the mineralized zone using hammer and chisel. The mineralization remains open in all directions. The length of Trench 4 was restricted by thick overburden but ended in mineralization which returned 5.3 g/t Au over 4 m. The new trench 4NA was completed with a larger excavator than the one used in 2014 and was better able to expose the mineralization.

The mineralization consists of 10-20% sulphide mineralization within silicified and altered, meta-sedimentary and meta-volcanic rocks.

A second trench was excavated approximately 720 m east of the **Kutuvuoma** main zone and 50 m east of Trench 8 (excavated in 2014) assayed 3.1 g/t Au over 5.6 m. The new trench assayed 1.4 g/t Au over 4.5 m. The samples were collected as continuous chip samples across the mineralized zone using hammer and chisel. The system remains open to the east.

Additionally, a narrow 2 cm wide extensional quartz vein with abundant visible gold cross-cuts the east-west trending main mineralized zone in a north-south direction. A selective grab sample of this vein assayed 96.9 g/t Au.

The **Kutuvuoma** mineralized corridor trends east-west. The recent observations from trenches indicate that gold mineralized structures may exist at various orientations and may be a result of multiple mineralizing events.

The fall-2015 field program was fully funded by B2Gold (see Aurion news release of January 20, 2016 for details). Fieldwork focused primarily on the high grade **Kutuvuoma** and **Ahvenjarvi** gold projects, and comprised mechanical trenching, geological mapping, prospecting, surface geochemical sampling and metallurgical testing.

Five widely spaced trench excavations were completed over a distance of approximately 1,250m with all encountering the **Kutuvuoma** mineralized horizon. A total of 255 saw-cut channel samples were collected. The best results came from Trench K15-02, a 310m^2 excavation located 370 m west of the **Kutuvuoma** main zone, where a total of 31 individual 0.85m to 3.0m long channel samples were collected, with assay values ranging from 0.39 g/t Au to 63.1 g/t Au. The best length weighted average intervals reported were 6.5 g/t Au over 9.8m, including 11.3 g/t Au over 3.0m, 21.7 g/t Au over 3.0m, including 63.10 g/t Au over 0.9 m and 3.20 g/t Au over 10.9m, including 5.0 g/t Au over 5.6 m. The T2 excavation made approximately 100m east of **Kutuvuoma** main zone, assayed on average 4.93 g/t Au over 10.94 m including 35.0 g/t Au over 1.2 m.

Prospecting approximately 1.6 km to the west and along strike of **Kutuvuoma** has identified a new zone of similar style of mineralization over a distance of approximately 400 m. The area is generally overburden covered, but 51 grab samples from outcrop and subcrop assayed up to 21.2 g/t Au, including four samples assaying 5.5, 11.6, 14.8 and 21.2 g/t Au. A 48 sample, orientation, B-horizon soil survey (100m spaced lines, 25 m spaced samples) was conducted over this new prospect with individual soil samples assaying up to 1.1 g/t Au. This mineralization also lies 500 m southeast of a 1.5 km long Au-in-till geochemical anomaly with individual tills assaying from up to 1.3 g/t Au.

The **Kutuvuoma** trend has very few natural bedrock exposures, however, with a limited amount of exploration work (and time in the field) trenching, soil sampling, base of till sampling and prospecting has defined an open-ended mineralized trend greater than 5 km long where only limited drilling was conducted in the past, over a distance of 175 m and to a depth of 175 m at the **Kutuvuoma** deposit.

Metallurgical tests were also undertaken during 2015 to examine the response of two composite surface trench samples to various processes for the concentration and recovery of the contained gold and to get a general view of the project metallurgy. The response of the samples to whole ore cyanide leaching and to concentration by froth flotation and gravity separation was examined at by SGS Canada Inc. at their Lakefield Ontario laboratory.

The samples responded well to all of the processes tested, with gold recoveries by a combination of methods in excess of 98% for both samples, including 80-84% recovery by gravity method alone. The material tested indicates the two areas tested would not require any treatment out of the ordinary. A much more extensive program would be required as the project develops.

Field program 2016

Reconnaissance prospecting, geological mapping and trenching were conducted within the JV area of interest during this filed season with encouraging results. Additionally, following several months of data compilation and analysis, 78 specific exploration targets were identified. The efforts of the 2017 field program will be to ground truth, expand and /or refine many of these targets.

B2Gold initiated a small drill program in September comprising 5 drill holes for 535m. The drill program was designed to test the lateral continuity of the **Kutuvuoma** system. The drill program comprised 5 HQ sized diamond drillholes with total meterage of 535 m. Two holes were drilled west of the **Kutuvuoma** deposit, one into the deposit and two east of the deposit over an aggregate distance of approximately 1 km. The program was designed to test for lateral continuity of the **Kutuvuoma** main mineralized zone east and west of the **Kutuvuoma** deposit.

The best hole of the program was drillhole KU16003 which was drilled into the known deposit. It intersected two mineralized zones, the first zone assayed 8.59 g/t Au over 2.15 m starting at 21.4 m downhole. The second zone assayed 11.37 g/t Au over 13.3 m starting at 71.85 m downhole. The upper zone intersection occurs in the structural hanging wall, and represents a promising zone to follow up. Previous hanging wall intercepts include 96.5 g/t Au over 1.2 m from Outokumpu ddh KUV-47, drilled in 1993. The second zone was a twin of Outokumpu ddh KUV-36 which assayed 7.2 g/t Au over 19.4 m, also drilled in 1993.

All holes intersected the main **Kutuvuoma** horizon and were variably mineralized. Hole KU16001 located approximately 370 m west of the **Kutuvuoma** deposit intersected a zone assaying 1.76 g/t Au over 8.85 m starting at 38.55 m downhole. Hole KU16004 was drilled 240 m west of the deposit and interested a 27.35 m wide zone of anomalous gold assaying 0.1 to 0.4 g/t Au with a best assay of 2.21 g/t Au over 1.2 m starting at 71.1 m downhole. Hole KU16002 was drilled approximately 100 m east of the deposit and intersected a mineralized zone at 42.55 m downhole which assayed 1.43 g/t Au over 5.05 m. Hole KU16005 was a 650 m step-out to the east of the deposit and intersected a 32.9 m wide zone of anomalous mineralization assaying 0.1-0.4 g/t Au including 2.4 g/t Au over 0.65 m starting at 60.75 m downhole and 10.1 g/t Au over 0.45 m starting at 65.35 m downhole. The deposit remains open at depth and along strike in both directions.

Kutuvuoma 2016 drill results summary

HoleID	From (m)	To (m)	Length (m)	Au (g/t)
KU16001	38.65	47.50	8.85	1.76
incl	43.45	44.70	1.25	5.60
KU16002	42.55	47.60	5.05	1.67
incl	46.70	47.60	0.90	6.19
KU16003	21.40	23.55	2.15	8.59
incl	22.35	23.55	1.20	11.05
And	71.85	85.15	13.3	11.37
incl	72.40	73.60	1.20	16.65

incl	76.65	77.30	0.65	26.30
incl	78.40	79.60	1.20	24.60
incl	79.60	80.80	1.20	47.00
KU16004	71.10	72.30	1.20	2.21
KU16005	60.75	61.40	0.65	2.41
and	65.35	65.80	0.45	10.10

Note: assay composites were calculated using uncut assays and are reported as drilled lengths. All drill intercepts are downhole widths, true widths appear to be approximately 80-85% of downhole widths but there has been insufficient drilling to date to sufficiently determine true widths.

B2Gold has advised the company its exploration budget for 2017 is approximately CAN$3.5 million.

AHVENJARVI

The **Ahvenjarvi** project is located in Northern Finland, approximately 20 km west of the **Kutuvuoma** property.

The mineralization consists of a stockwork of millimeter to meter scale quartz-tourmaline-pyrite veins hosted by sandstone and conglomerate within a wide zone of strong silica and potassic (sericite and k-feldspar) alteration and brecciation with abundant iron oxide (magnetite and specular hematite) mineralization. Visible gold is common within the veins.

Field Program 2015

Limited prospecting in June 2015 identified new gold mineralization north and south of the Quinlan Zone. A total of 24 widely spaced selective rock chip samples collected from outcrop, sub-outcrop and angular boulders assayed from nil to 15.4 g/t Au with 17 assaying > 0.1 g/t and 7 assaying > 1.0 g/t Au up to 15.4 g/t Au.

According to current indications, the poorly exposed Quinlan Zone mineralized zone now has estimated dimensions of 2,300 m by 500 m and remains open in all directions.

The fall-2015 field program at **Ahvenjarvi** was also funded by B2Gold. Seven trenches were excavated at **Ahvenjarvi**. A total of 206 individual (mostly 1m-wide) channel samples were collected from the trenches. The best results include 13.6 g/t Au over 0.46m, 7.16 g/t Au over 0.91m, 8.94 g/t Au over 0.88m and 12.9 g/t Au over 0.65m.

Further prospecting and reconnaissance mapping was conducted along and within the trend and a total of 41 rock chip (grab) samples were collected from outcrop and sub outcrop. The samples assayed up to 8.1 g/t Au, with an average for all the samples of 0.57 g/t Au. To date a total of 330 rock chip/grab, and channel samples have been collected from outcrop, sub-outcrop, angular boulders and trenches over an area measuring 2,300m long and 150m to 700m wide, with assay values up to 28.8 g/t Au and an average of all samples of 0.81 g/t Au.

The area is generally poorly exposed with the majority of samples collected within this trend occurring in a "window" through the overburden. Further work to identify new zones of mineralization and controlling structures to this widespread gold system is ongoing.

Field program 2016
The field program at **Ahvenjarvi** primarily comprised detailed prospecting and reconnaissance geological mapping resulting in the discovery of new zones of robust mineralization. Quartz-tourmaline-pyrite veins in angular boulders, sub outcrop and outcrop occurring over a distance of > 2.0 km have assayed from nil to 33.0 g/t Au. Vein widths range from 5 cm to >1.5 m wide. The most significant mineralization occurs in a 200m by 200 m area ("Plateau Prospect") where 54 rock samples of intensely veined, brecciated and sulfide/oxide mineralized material assayed from nil to 33.0 g/t Au including 6 samples which assayed greater than 10 g/t Au (33.0, 17.4, 16.5, 15.7, 14.4 and 13.2 g/t Au). The aforementioned samples are "grab" samples.

Much of this new mineralization form several parallel trends greater than 500m long over a greater than 2 km distance in a new NE-SW orientation. This trend of mineralization appears to be associated with an interpreted fault system along or parallel to the NE-SW oriented axial plane or center line of a folded sequence of quartzites and mafic volcanics. A fold axis is often an ideal geological setting got the location of shear zones developed along the axial plane of a major fold.

Previously a wide zone of gold mineralization to the west of this new mineralization was outlined over an area measuring 2,300m long and up to 700m wide, assaying up to 28.8 g/t Au and averaging 0.81 g/t Au, in a generally north-south orientation, however, the structural control of this mineralization was not understood.

OTHER Projects
Ruoppa

The **Ruoppa** target comprises an open-ended 1.9 km long zone of anomalous gold samples, within an overall target greater than 7km long, which is contiguous with Agnico's Kuotko deposit (1,800,000 tonnes grading 2.9 g/t Au; see Agnico Annual Report).

In the fall of 2015, Aurion outlined extensive gold mineralization over a horizontal distance of 1.9km. A total of 81 rock chip samples were collected from outcrop, sub outcrop and angular boulders assaying from nil to 30.7 g/t Au including 21 samples which assayed greater than 1.0 g/t Au. The mineralization comprises narrow mm to <1m wide quartz-carbonate veins with minor sulphides, free gold and bismuth. Mineralization is hosted by felsic dykes, occurring along the margin of an intrusive body. The association of quartz-carbonate veins with free gold and bismuth with felsic dykes is very similar to that reported at Agnico's Kuotko gold deposit.

Field program 2016
Through further prospecting and reconnaissance mapping the **Ruoppa** target now comprises an open-ended 2.3 km long by 1.3 km wide zone of anomalous gold samples, within an overall target greater than 7km long. The mineralization is hosted by a swarm of felsic dykes occurring along the sheared/faulted margin of a granitoid body. The association of quartz-carbonate veins with free gold and high bismuth within felsic dykes is very similar to Agnico Eagle's Kuotko gold deposit (1.8 million tonnes grading 2.9 g/t Au; see Agnico Eagle Annual Report), of which **Ruoppa** is contiguous.

Additionally, a new target area with similar style mineralization has been identified up to 3 km northeast of this primary target area. Analytical results from 210 rock chip samples collected from outcrop, sub outcrop and angular boulders assaying from nil to 14.4 g/t Au including 25 samples which assayed greater than 1.0 g/t Au. Detailed soil/till geochemical sampling was also conducted on two targets located 2.5

and 2.7 km east and northeast of the main **Ruoppa** prospect. The assay results were anomalous over a wide area demonstrating further work is warranted on these targets.

Risti

The **Risti** target is located approximately 13km east of the Company's **Kutuvuoma** property, which is under joint venture to B2Gold. The property hosts the Kaarestunturi prospect, which was discovered by the GTK who completed various studies including 5 shallow diamond drill holes within a small area returning up to 5.2 g/t Au over 5.0m. Prospecting and reconnaissance mapping by Aurion in late 2016 has resulted in the discovery of new, bonanza grade gold mineralization on the **Risti** Project.

In 2015, Aurion outlined a new zone of gold mineralization approximately 750m northwest of the Kaarestunturi prospect. This new zone hosts gold mineralization within quartz-iron oxide veins and breccias cutting altered meta-sediments. A total of 30 rock samples from outcrop, sub outcrop and angular boulders, within an area of 250m by 250m, assayed up to 22.3 g/t Au including 10 samples which assayed greater than 1 g/t Au.

Field program 2016
Further prospecting and reconnaissance mapping was conducted at **Risti** in 2016. Aurion recently discovered a 1150 m long by 700m wide area ("Aurora Zone") of gold mineralization with an apparent NE-SW. Here, 133 rock grab samples collected from predominantly large and angular sub-cropping quartz-tourmaline blocks assayed from nil to 1563.5 g/t Au, including 36 samples which assayed greater than 31 g/t Au (1 ounce per tonne). The average grade of all 133 samples is 74.3 g/t Au. Many of these samples contain abundant coarse visible gold. Numerous quartz blocks within this trend are > 1 m in at least one dimension and locally reach up to 3.5 m by 3 m by 1 m in size.

The Aurora Zone lies within a broader area of approximately 2.3 km by 3.0 km hosting multiple quartz-tourmaline-Fe-Oxide veins, breccias and stockworks outlined in outcrop, sub outcrop and angular boulders. A total of 525 rock grab samples from this area and including the Aurora Zone have assayed from nil to 1563.5 g/t Au. The average assay of all samples is 21.0 g/t Au. The samples reported herein are selective grab samples and are not necessarily representative of the real tenor of mineralization within the host rocks, however, they do demonstrate the abundance of coarse visible gold present within a robust gold mineralized system.

The veins range from 0.1 m to >3 m wide, appear to be extensional in nature, trend NE-SW and are hosted by quartzites and polymictic conglomerates of the Kumpu Group which is unconformably in contact with mafic to ultramafic volcanics of the Sodankyla Group.

The **Risti** Project will be a primary focus of Aurion in 2017 exploring approximately 30 km along what may be interpreted as regional unconformities defined by the contact between the Kumpu Group conglomerates and the older Sodankyla Group mafic and ultramafic volcanics.

Sila (formerly Silasselka)

The **Sila** target covers approximately 11km along the northern strike extension of the HSZ, within sheared meta-volcanics and meta-sediments sandwiched between two large intrusive bodies. The HSZ south of **Sila** hosts several gold occurrences, which have reported drill intersections of 4.5 g/t Au over 11.7m and 5.9 g/t Au over 7.5m (Agnico Annual report).

Aurion has identified extensive mineralization in quartz veins and silicified meta-volcanic and meta-sedimentary rocks. Assays from 56 rock samples collected over a distance of 6.5km ranged from nil to 219 g/t Au and nil to 5,410 ppm As. Numerous till samples assayed up to 0.7 g/t Au within this trend and up to 1.12 g/t Au elsewhere on the property. The gold-arsenic association at **Sila**, is similar to the Kittila deposit.

Field program 2016
Limited prospecting, rock and soil geochemical sampling was conducted at **Sila** in 2016 with limited success.

Rova

Rova comprises a 17km long <1km wide zone of sheared meta-volcanic and meta-sedimentary sandwiched between two large intrusive bodies. Historical work by Outukumpu in the late 1980's highlights an approximately 6km long section with anomalous gold (and copper) in till with individual till samples assaying up to 4.0 g/t Au. The mineralization comprises quartz-carbonate vein sets in sulphide-rich metasedimentary rock, in the contact zone between meta-volcanic rocks and intrusives. Five shallow drillholes were completed in 1987, within a small area, with a best result of 2.1 g/t Au over 1.2m.

These projects have classic "Granite-Greenstone" orogenic gold deposit characteristics, similar to those seen in the prolific gold-rich geological terranes of Canada, Western Australia and West Africa. Unlike those jurisdictions, these projects, and the CLGB of Northern Finland in general, have seen significantly less exploration work.

Prospecting and limited rock geochemical sampling in 2016 failed to outline any significant results.

New Acquisitions
Two new projects were purchased from Tertiary Minerals plc an AIM traded company building a strategic position in the fluorspar sector. The **Kaaresselkä** and **Kiekerömaa** gold projects were considered non-core assets by Tertiary.

Aurion paid £15,000 in cash and issued 83,072 shares to Tertiary for 100% interest in both projects subject to certain royalties including a Pre-Production Royalty of US$1.00 to $3.00/ounce gold following the definition of a NI 43-101 (or equivalent) Code compliant Inferred, Indicated and/or Measured Mineral Resource Estimate respectively, on either project. Tertiary will retain a 2% Net Smelter Returns Royalty (NSR) on all future gold production from either property of which Aurion can purchase 50% of the NSR from Tertiary for USD$1,000,000 at any time prior to commencement of commercial production on either project.

Kaaresselkä Project
Located approximately 4 km south-southwest of **Risti**, the 315 ha **Kaaresselkä** project comprises multiple shear zone hosted gold zones that are up to 16 m wide and 650 m long, adjacent to the Sirkka Shear Zone, a major regional deformation zone, that is host to more than 45 gold prospects. Multiple high grade drill intercepts including 11.0 g/t Au over 4.9 m, 13.5 g/t Au over 2.75 m, and 45.0 g/t Au over 2.0 m have been reported. Mineralization there was initially discovered by the geological survey of Finland (GTK) who subsequently did extensive geochemical and geophysical surveying, trenching and diamond drilling. Tertiary acquired the project by staking in 2003 and subsequently completed limited geochemical and geophysical surveys followed by drilling. No exploration has been conducted since 2004. All mineralized zones remain open along strike and down dip.

Kiekerömaa Project
Located approximately 7 km south-southwest from **Kutuvuoma**, the 840 ha **Kiekerömaa** project hosts gold mineralization over a strike length of 300 m. The prospect was discovered by the state mining company Outukumpu Oy in the late 1990s while exploring for base metals. Tertiary acquired the prospect in 2003 by staking and completed a small drill program in 2011. Historic drill intercepts from limited drilling by Otukumpu and Tertiary include 5.8 g/t Au over 5.0 m, 7.4 g/t Au over 2.0 m and 3.6 g/t Au over 4.6 m. The mineralization remains open in all directions.

New Exploration Tenements
During the year ended December 31, 2016, Aurion was granted an additional 225,000 hectares of exploration reservations prospective for precious and base metals in Northern Finland. Aurion has applied for an additional 45,000 ha of Exploration Licences in Finland as at the date of this MD&A.

UNITED STATES

LOGAN PASS

On November 9, 2010, the Company acquired a gold property called **Logan Pass**, in Lincoln County, Nevada. The Company signed an agreement with a private company, Genesis Gold Corp. ("Genesis"), whereby the Company has a 15 year lease with an option to purchase a 100% interest in 8 unpatented claims by making annual lease payments starting at US$25,000 and increasing to US$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US$3,000,000 cash payment less any payments already made. Genesis shall retain a 2% NSR. The underlying agreement payment schedule was amended during October 2013 and 200,000 common shares were issued as compensation for the amendment. The agreement was amended a second time in March 2015 to reduce future payments and issue a total of 400,000 common shares as compensation for the reduction of lease payments. The Company issued 200,000 shares to Genesis on July 6, 2015 pursuant to this amendment. In September 2015 the Company abandoned the **Logan Pass** property and the agreement with Genesis was terminated.

BULL

On January 6, 2011, the Company signed an Option Agreement with Genesis, whereby it has an option to purchase a 100% interest in 16 unpatented claims, subject to a 2% NSR, by making annual cash payments starting at US$10,000 (paid) increasing to a maximum US$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US$3,000,000 cash payment less any payments already made. The Company also staked an additional 283 claims covering prospective geology surrounding these claims.

On November 15, 2012, the Company signed a definitive "Exploration, Development and Mine Operating" agreement with Midway Gold US Inc. ("Midway") on the **Bull** project. Under the terms of the agreement Midway can earn an initial 50% interest by completing $2,000,000 in exploration expenditures over 5 years, upon which it can elect to either declare a 50-50 agreement or spend a further $2,000,000 over 2 years to earn an additional 20% for a total 70% interest. Midway can also earn an additional 5% (75% total) by arranging mine financing. Midway will also maintain the underlying Option Agreement and make all claims maintenance fees through the agreement. Midway also reimbursed the Company for claims maintenance fees paid in September 2012, of approximately $53,000. On October 18, 2016, the Company received notice of termination of the Exploration, Development and Mine Operating Agreement with Midway.

On December 17, 2015, the Company signed a Letter Agreement to amend the terms of the Bull Property Option Agreement with Genesis. Under the terms of the amendment, the lease payment for 2016 will be reduced to US$10,000 and the lease payments for the years 2017 through 2027 will remain at US$125,000 per year.

On November 5, 2016, the Company signed a Letter Agreement to amend the terms of the Bull Property Option Agreement with Genesis for the second time. Under the terms of the amendment, the lease payment for 2017 will be waived and the lease payments for the years 2018 through 2027 will remain at US$125,000 per year.

The **Bull** property is located in east-central Nevada, approximately 31 km southeast of Eureka, on the southern extension of the prolific Battle Mountain-Eureka Trend, and hosts several small outcrops of gold-bearing jasperoid in a shallow pediment at the contact between the Joanna Limestone and Chainman Shale. In 1992, BHP drilled 7 shallow reverse circulation holes. The best intercept was 3 m of 2.05 g/t Au within a 9.15 m intercept grading 1.15 g/t Au starting at approximately 15 m below the surface. Gold mineralization is associated with low silver, high antimony, arsenic and mercury values typical of the geochemical signature in Carlin-style mineral deposits. The area characterized by shallow cover amenable to surface geochemistry and geophysics.

MEXICO

The Company abandoned its exploration activities in Mexico during 2013 and all associated costs were written down however the Company continues to keep in good standing two mineral concessions that were part of the original land position and purchased from a private individual in 2010.

The Company has no immediate plans to restart operations in Mexico. Costs associated with maintaining the two mineral concessions are written down each year until such time as the Company decides to recommence exploration activities.

Qualified Person

Mike Basha, P. Eng., P. Geo., President and CEO of the Company, a Qualified Person as defined by NI43-101, is responsible for the preparation of the foregoing property reports.

Selected Annual Financial Information

	2016 $	2015 $	2014 $
Total income	53,592	32,070	11,490
Operating expenses	834,004	1,353,238	1,084,406
Net loss	780,412	1,321,168	1,072,916
Loss per share	0.02	0.03	0.03
Total assets	3,789,940	1,628,667	2,476,438
Long term liabilities	-	-	-
Dividends	-	-	-

Results of Operations

	For the years ended December 31,	
	2016 **$**	2015 $
General and Administrative	**138,401**	171,158
Wages and benefits	**174,439**	193,211
Consulting fees	**25,050**	87,425
Professional fees	**60,045**	49,974
Share based payments	**301,694**	-
Write-down of exploration and evaluation assets	**11,514**	784,069
Accounting	**42,032**	39,387
Depreciation	**3,590**	5,933
Interest and bank charges	**34,545**	17,614
Property investigation costs	**30,950**	-
Unrealized (gain) loss on marketable securities	**1,258**	10,710
Foreign exchange (gain) loss	**14,377**	(6,243)
Gain on sale of marketable securities	**(3,891)**	-
	834,004	1,353,238
Investment and other income	**53,592**	32,070

-Write-down of exploration and evaluation assets is lower by $772,555 for the year ended December 31, 2016 compared to the year ended December 31, 2015. This is due to the abandonment and reduction of certain claim holdings in the prior year, mainly in the US, that the Company felt no longer merited further exploration.

- Wages and benefits are lower by $18,772 for the year ended December 31, 2016 compared to the year ended December 31, 2015. This is due mainly to wage expenses for the CEO that were capitalized to exploration and evaluation assets in the current year.

- General and administrative costs have decreased by $32,757 for the year ended December 31, 2016 compared to the year ended December 31, 2015. This is due mainly to costs associated with corporate travel and attendance at conferences in the prior year.

- Consulting fees are lower by $62,375 for the year ended December 31, 2016 compared to the year ended December 31, 2015. This is due mainly to the retention of a consultant for marketing and promotion in the prior year.

-Professional fees are higher by $10,071 for the year ended December 31, 2016 compared to the year ended December 31, 2015 which is due mainly to legal fees incurred for current property agreements.

-Share based payments expense is higher by $301,694 for the year ended December 31, 2016 compared to the year ended December 31, 2015. This is due to stock options issued to Directors, officers and consultants in the current year. There were no stock options issued in the year ended 2015.

- Total expenses are lower by $519,234 for the year ended December 31, 2016 compared to the year ended December 31, 2015 mainly due the write down of property expenditures in the prior year.

-Investment and other income was higher by $21,502 for the year ended December 31, 2016 compared to the year ended December 31, 2015 due to administration fee income paid to the Company by its current exploration partner.

Quarterly Information

	($) Write-down of exploration and evaluation assets	($) Other expenses	($) Interest & Other Income	($) Net Loss	($) Basic & Diluted Loss per Share
IFRS					
Q4 - December 31, 2016	221	192,428	(809)	(193,458)	(0.004)
Q3 - September 30, 2016	6,246	260,379	21,894	(244,731)	(0.005)
Q2 - June 30, 2016	995	103,236	17,776	(86,455)	(0.002)
Q1 - March 31, 2016	4,052	266,447	14,731	(255,768)	(0.006)
Q4- December 31, 2015	11,977	126,787	19,734	(119,030)	(0.003)
Q3 - September 30, 2015	766,251	158,893	11,354	(913,790)	(0.002)
Q2 - June 30, 2015	778	143,455	73	(144,160)	(0.003)
Q1 - March 31, 2015	5,063	140,034	909	(144,188)	(0.003)

Fourth Quarter Results

For the three months ended December 31, 2016, the Company recorded a net loss of $193,458 compared to a net loss of $119,030 for the three months ended December 31, 2015, an increase in the net loss of $74,428 from the prior year. This is due to property investigation costs of $30,950 written down during 2016, that were reversed and directly expensed by an adjustment in the fourth quarter of the current year. Wages and benefits increased by approximately $15,000 in the fourth quarter of the current year due to salary increases and a bonus payable that became effective in the current quarter. Income recorded for the fourth quarter of 2016 reflects a negative amount of $809 which is due to the fourth quarter adjustment of administration fee income that was recorded during the third quarter of 2016.

Financial Condition / Liquidity / Capital Resources

The Company had cash of $666,663 at December 31, 2016 compared to cash of $11,066 as at December 31, 2015.

On January 5, 2015, the Company issued 1,000,000 common shares to Dragon valued at $0.05 per share as the third payment due for the purchase of the Kutuvuoma and Sila projects in Finland.

On March 11, 2015, the Company issued 1,000,000 common shares to AA valued at $0.05 per share for the purchase of two land tenements in Northern Finland.

On March 24, 2015, the Company issued 250,000 common shares to Dragon valued at $0.05 per share as compensation for amendments to the original terms an Option Agreement for the purchase of the Kutuvuoma and Sila projects in Finland.

On July 6, 2015, the Company issued 200,000 common shares to Genesis valued at $0.05 per share as compensation for amendments to the original Purchase Agreement for the Logan Pass property.

On December 6, 2015, the Company issued 760,000 common shares valued at $0.05 per share to an arms-length contractor to settle certain trade payables.

On April 29, 2016, the Company issued 1,476,500 common shares valued at $0.13 per share as a finders' fee for the B2Gold agreement.

On May 20, 2016, the Company issued 2,500,000 common shares to Dragon valued at $0.14 per share as the final instalment of shares due for the purchase of the Kutuvuoma and Sila projects in Finland.

On August 8, 2016, the Company issued 100,000 common shares at a value of $0.10 per share for the exercise of stock options.

On September 23, 2016, the Company issued 2,562,000 common shares at a value of $0.40 per share pursuant to a brokered private placement. A cash fee of 6% of the proceeds was paid with respect to this transaction.

On September 28, 2016, the Company issued 3,650,000 common shares at a value of $0.40 per share pursuant to a non-brokered private placement.

On December 23, 2016, the Company issued 137,500 common shares at a value of $0.25 per share for the exercise of stock options.

On January 19, 2016, the Company granted 2,700,000 fully vested stock options to directors, officers and consultants at an exercise price of $0.10 per share.

On July 1, 2016, the Company granted 600,000 fully vested stock options to directors, officers and consultants at an exercise price of $0.26 per share.

Outstanding Share Data

As at April 27, 2017, the following were outstanding:

61,794,460 common shares
-Nil- warrants
347,040 finders' options
5,075,000 stock options

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The following represents a summary of transactions with key management of companies controlled by key management of the Company:

	For the years ended December 31,	
	2016	2015
	$	$
Paid to D.R. Loveys & Associates Inc., a company controlled by the CFO:		
Accounting and management consulting services provided by David Loveys	**25,050**	22,425
Amounts expensed as:		
Consulting Fees	**25,050**	22,425
Paid to McInnis Cooper LLP , a company in which a Corporate Director is a partner:		
Legal services provided by Dennis Clarke	**2,500**	7,897
Amounts expensed as:		
Professional fees	**2,500**	7,897
Compensation for key management personnel not included above:	**225,133**	130,000
Amounts expensed as:		
Salary and other short term benefits for the CEO (expensed)	**55,333**	100,500
Share-based compensation (expensed)	**91,800**	-
Capitalized in exploration and evaluation assets	**78,000**	29,500
	225,133	130,000
Received from Michael Basha, CEO of the Company	-	48,000
Amounts disclosed as:		
Promissory Notes	-	48,000

Promissory Notes

The Company has received promissory notes in the amount of $453,000 (cumulative). Of the total received, $48,000 was from the Company's CEO and the remaining $405,000 was from a Shareholder who became a reporting insider of the Company on May 30, 2016. Pursuant to the terms of the notes, they bear interest at 10% per annum, are unsecured and will be repaid by the Company on successful completion of a financing.

An amount of $28,939 is included in interest and bank charges in the financial statements for the year ended December 31, 2016.

The following provides details of promissory notes and interest payable for the periods indicated:

As at December 31, 2016

	Balance, beginning of the year	**Notes received**	**Interest accrued**	**Payments**	**Balance, end of the year**
	$	**$**	**$**	**$**	**$**
CEO	**49,699**	**-**	**3,811**	**(53,509)**	**-**
Shareholder	**244,753**	**170,000**	**25,128**	**(439,881)**	**-**
	294,452	**170,000**	**28,939**	**(493,391)**	**-**

As at December 31, 2015

	Balance, beginning of period	Notes received	Interest accrued	Payments	Balance, end of period
	$	$	$	$	$
CEO	-	48,000	1,699	-	49,699
Shareholder	-	235,000	9,753	-	244,753
	-	283,000	11,452	-	294,452

New Accounting Policies

The Company adopted certain new accounting standards and amendments during the year ended December 31, 2016, none of which had a material impact on the Company's financial statements.

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 16 Leases was issued in January 2016 and is effective for periods beginning on or after January 1, 2019. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company is evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed, which are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables, which is mainly comprised of government tax refunds. Management believes that the credit risk concentration with respect to financial instruments included in the receivables is not significant. The Company holds cash and invests it in interest bearing deposit accounts at its financial institution. Management believes that the associated credit risk for its invested cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at December 31, 2016, the Company had cash of $666,663 to settle current liabilities of $161,878. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity or partnering transactions. All of the Company's financial liabilities are short-term in nature and are subject to normal trade terms.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances subject to interest rate risk. The Company's current policy is to invest excess cash in either interest bearing deposit accounts or short-term deposit certificates issued by its financial institutions. As of December 31, 2016, the Company held deposits in a short-term savings accounts at a variable interest rate. A 0.5% change in interest rates would change the Company's net loss by approximately $5,830. Management believes it has minimal exposure to interest rate risk.

(b) Foreign exchange risk - The Company transacts certain business in Euro, Swedish Kroner, U.S. Dollars and Mexican Pesos, and therefore is subject to foreign exchange risk on certain receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its foreign exchange inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal. The following table shows the net exposures in US dollars, Swedish Kroner and Euro.

	US$	Euro	SEK
Cash	**695**	**178,577**	**50,000**
Trade payables	**-**	**(31,777)**	**-**
Net currency exposure	**695**	**146,800**	**50,000**

Based on the above currency exposures, a 10% change in the value of each currency to the value of the Canadian dollar would impact the Company's net loss by:

US$	Euro	SEK
70	**14,680**	**5,000**

(c) Equity risk – The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the December 31, 2016 value of the marketable securities every 10% increase or decrease in the share prices of these companies would have impacted the loss for the year, up or down, by approximately $36,195 (2015 - $7,600) before income taxes.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods:

Exploration and evaluation assets
The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate that the carrying value may be impaired, at which time an impairment loss is recorded.

Receivables
The Company reviews its receivables on a regular basis and makes estimates of any amounts which are not expected to be collected. If such doubt exists, an allowance for doubtful accounts will be recorded.

Property and equipment
The Company reviews the estimated useful lives of property and equipment at the end of each reporting period to ensure assumptions are still valid.

Share-based payments
The Company makes certain estimates and assumptions when calculating the fair values of stock options and warrants granted. The significant assumptions used include estimates of expected volatility, expected life and the expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

Functional currency
The Company has determined the functional currency of each entity is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Going concern
The Company must assess its ability to continue as a going concern. Factors that affect this determination include current cash and investments, budgeted expenditures for future periods and the conditions of the market for exploration companies.

Management's Responsibility for Financial Statements

The Board of Directors carries out its responsibility for the consolidated financial statements primarily through the audit committee which is composed primarily of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

Risks and Uncertainties

The Company is principally involved in mineral exploration which is an inherently high-risk activity. Exploration is also capital intensive and the Company has no sources of funding other than exploration partner financing arrangements with other mining and exploration companies and equity financing. Only the skills of management and staff in mineral exploration and exploration financing serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to attract partners and to raise financing.

The Company is currently evaluating its properties and looking for new business opportunities and has a risk of not finding any property or investment that may lead to profitable operations. There can be no assurances that the shareholders will realize any profits from their investment in the Company and may lose their entire investment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. Exploration activity is also dependent on the laws of local governments which may change from time to time, and may have an effect on the Company's exploration programs.

Additional Information

The Company's shares are traded on the TSX Venture Exchange under the stock symbol AU. Financial statements, press releases issued by the Company and all other regulatory filings, including those issued during the year ended December 31, 2016, are available through www.sedar.com.