

AUQ GOLD MINING INC.
Management's Discussion and Analysis
For the year ended February 28, 2023

Date

This management's discussion and analysis of financial position and results of operations is prepared as at June 28, 2023. The audited financial statements for the year ended February 28, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Overview

The Company is incorporated under the Company Act of British Columbia, and extra-provincially registered in the Northwest Territories. Its principal activities are the exploration of resource properties. The Company has interests in mineral properties in the province of Quebec and the Yukon Territory. The Company's mineral properties are currently at the "exploration stage". Currently, the Company has no production from its mineral interests.

Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years.

	2023	2022	2021
	\$	\$	\$
Total revenue	—	—	—
Net loss for the year	(179,969)	(462,125)	(301,164)
Basic and diluted loss per share	(0.01)	(0.03)	(0.02)
Total assets	1,470,159	1,092,562	1,388,475
Non-current financial liabilities	10,000	—	226,658

Results of Operations

Results of operations for the years ended February 28, 2023 and February 28, 2022:

The Company incurred a net loss of \$179,969 for the year ended February 28, 2023 compared to a net loss of \$462,125 for the year ended February 28, 2022. The most significant change relates to reduced impairment of exploration and evaluation assets (\$10,007 vs. \$294,315 for fiscal 2022). Also, there was reduced consulting fees (\$75,00 vs. \$105,809 for fiscal 2022) attributable to decreased expenditures related to the investigation, evaluation, and negotiation of two potential gold exploration projects in Quebec.

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Summary of Quarterly Results

The following table sets out financial information for the Company for each of the last eight quarters:

Quarter Ended	Feb. 28, 2023 \$	Nov. 30, 2021 \$	Aug. 31, 2022 \$	May 31, 2022\$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(76,162)	(24,454)	(46,972)	(32,381)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Quarter Ended	Feb. 28, 2022 \$	Nov. 30, 2021 \$	Aug. 31, 2021 \$	May 31, 2021 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(326,710)	(39,368)	(61,391)	(34,656)
Loss per share	(0.02)	(0.00)	(0.00)	(0.00)

The quarter ended February 28, 2022 includes a \$249,315 impairment of exploration and evaluation assets.

Liquidity and Capital Resources

The Company had cash on hand of \$330,152 as at February 28, 2023 compared to \$139 as at February 28, 2022. The Company had a working capital deficit of \$309,430 as at February 28, 2022 compared to \$517,748 as at February 28, 2022.

It is anticipated that the Company will have capital requirements in excess of its currently available resources and will need to seek additional financing. There can be no assurance that the Company will have adequate financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Resource Properties

Kirkland Creek Property, Yukon

On November 30, 2006, the Company entered into an agreement to purchase of the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property originally was comprised of 144 claims. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor retains a 3% net smelter royalty ("NSR") on any mineral production from the property. The Company has the right to purchase up to 2% of the 3% NSR for \$1,000,000 per percentage point. On May 7, 2007, the Company announced that it had expanded the property by staking an additional 36 claims adjoining the original 144 claim block. The Company has allowed some of the claims it considers to be of lesser importance to lapse. The Kirkland Creek property now consists of 40 contiguous claims. The Company is obligated to make pre-production royalty payments of an aggregate of \$25,000 annually to the vendor – Deborah Moreau, who is the common-law spouse of the CEO of the Company.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company recorded a write down of this property of \$2,296,719 to a nominal amount of \$1 as a result of not meeting the criteria for expenditures on the property. Under IFRS 6 where substantial expenditures are neither budgeted nor planned there is an indicator of impairment, and where fair value cannot be

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determined the property is written down to a nominal amount. During the year ended February 28, 2019, the Company resumed exploration activities on the property.

Saint Sabine Property, Quebec

This property was abandoned during the year ended February 28, 2022. No obligations are outstanding.

Partridge Gold Property, Quebec

In January 2020, the Company acquired a 100% interest in 95 mineral claims covering 52.68 km² in Abitibi, Quebec (the "Partridge Gold Project") in exchange for issuing 360,000 common shares to the vendor. The vendor will retain 2% NSR royalty on the Partridge Gold Project. The Company may repurchase 50% of the NSR for \$1,000,000.

Eliza Gold Project, Quebec

On February 6, 2020, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in 8 mineral claims. To earn this interest, the Company is to pay \$20,000 within three days of TSX-V approval (paid). The Company is also to issue 150,000 units of the Company on each of the following dates: (1) within three days of TSX-V approval (issued); (2) March 13, 2021 (refer to Note 14(b)); (3) March 13, 2022 (issued); and (4) March 13, 2023 (to be issued). Each unit will be comprised of one common share and one share purchase warrant exercisable at \$0.60 per common share for a period of two years from the date of issuance. The optionor has retained a 2% net smelter royalty, of which two tranches of 0.5% may be purchased by the Company for \$500,000 each.

James Bay, Quebec

As announced in News Release of December 19, 2022, the Company acquired, by map staking, a 100% interest in 133 mining claims in three blocks (West block, Central block and East block), located several kilometres from one another and covering approximately 6,870 hectares (68.7 square kilometres) in the James Bay region of Northern Quebec. Collectively they are known as the Lac Bruce exploration project, with potential for the discovery of lithium, other strategic minerals, gold and base metals. The three blocks are located approximately 60 kilometres east-northeast of Wemindji, Quebec. The project area is located within NTS (national topographic system) map sheets 33E01 and 33F04. The Company paid \$21,440 to acquire the claims. The Company anticipates approximately 10 more claims will be added to the project once approved by Quebec Mines Branch.

Transactions with Related Parties

- (a) As at February 28, 2023, the amount of \$13,780 (2022 – \$nil) was owed to the Chief Executive Officer of the Company which is recorded in accounts payable and accrued liabilities. The amount due is non-interest bearing, unsecured, and due on demand.
- (b) As at February 28, 2023, the Company owed \$100,000 (2022 – \$75,000) to the spouse of the Chief Executive Officer of the Company. During the year ended February 28, 2023, the Company incurred an advance royalty fee of \$25,000 (2022 – \$25,000) on the Kirkland Creek property (refer to Note 4) to the spouse of the Chief Executive Officer of the Company.

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- (c) During the year ended February 28, 2023, the amount of \$60,000 (2022 – \$28,750) was incurred to the Chief Executive Officer of the Company for consulting fees.
- (d) During the year ended February 28, 2023, the amount of \$nil (2022 – \$2,000) was incurred to a director of the Company for consulting fees.

Off Balance sheet Arrangements

As of the date of this management discussion, the Company has no such arrangements.

Financial Instruments and Risk Management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, loans payable, and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

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Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 28, 2022, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended February 28, 2022 to which this MD&A relates.

An analysis of the material components of the Company's exploration and evaluation assets is disclosed in the audited financial statements for the year ended February 28, 2022 to which this MD&A relates.

Disclosure of Outstanding Share Data

As at June 28, 2023, the Company has 17,501,962 common shares issued and outstanding.

As at June 28, 2023, the Company had the following share purchase warrants outstanding

- a) 150,000 warrants exercisable at \$0.60 until July 23, 2023,
- b) 900,000 warrants exercisable at \$0.50 until December 29, 2023; and
- c) 150,000 warrants exercisable at \$0.60 until June 27, 2024.

As at June 28, 2023, the Company has no stock options outstanding.

Risks and Uncertainties

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include competition, reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices, foreign currency fluctuations, share price volatility, and title risks.