

AUQ GOLD MINING INC. (formerly Royal Gold Mining Inc.)

For the six months ended August 31, 2023

Management's Discussion and Analysis

Date

The following Management's Discussion and Analysis, prepared as of October 30, 2024, should be read together with the unaudited condensed interim financial statements for the six months ended August 31, 2024, and the related notes and the audited financial statements for the year ended February 29, 2024 and the related notes. These financial statements and MD&A include the results of operations and cash flows for the six months ended August 31, 2024, and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported 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.

	2024	2023	2022
	\$	\$	\$
Total revenue	—	—	—
Net loss for the year	(1,029,387)	(179,969)	(462,125)
Basic and diluted loss per share	(0.06)	(0.01)	(0.03)
Total assets	805,447	1,111,817	1,065,604
Non-current financial liabilities	-	10,000	226,658

Results of Operations

Results of operations for the three months ended August 31, 2024:

The Company incurred a net loss of \$39,388 for the three months ended August 31, 2024 as compared to a net loss of \$36,717 for the three months ended August 31, 2023. The most significant change relates to increased professional fees of \$5,035 (2023-\$3,000) and transfer agent and filing fees of \$9,080 (2023-\$5,350) as there was minimal activity during the three month period of 2023.

Results of operations for the six months ended August 31, 2024:

The Company incurred a net loss of \$66,945 for the six months ended August 31, 2024 comparable to a net loss of \$76,587 for the six months ended August 31, 2023. The most significant change relates to decreased general administrative expenses of \$15,142 (2023-\$406) as the comparable quarter. All other costs remained consistent.

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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	August 31, 2024	May 31, 2024	Feb. 29, 2024 \$	Nov. 30, 2023 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(39,388)	(27,557)	(914,680)	(38,121)
Loss per share	(0.00)	(0.00)	(0.05)	(0.00)
Quarter Ended	August 31, 2023	May 31, 2023	Feb. 28, 2023 \$	Nov. 30, 2022 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(36,717)	(39,869)	(76,162)	(24,454)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

Liquidity and Capital Resources

The Company had cash on hand of \$27 as at August 31, 2024 compared to \$15,018 as at February 29, 2024. The Company had working capital deficit of \$1,059,934 as at August 31, 2024 compared to negative working capital of \$982,989 as at February 29, 2024.

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**

The Company has negotiated the 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 totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor will retain 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 (1,830 acres) 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 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.

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During the year ended February 29, 2024, the Company recorded an impairment of \$231,813 for the mineral claims that were allowed to lapse. The Kirkland Creek property now consists of 4 mineral claims.

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%-per-cent net smelter return ("NSR") royalty on the Partridge Gold Project. The Company may repurchase 50% of the NSR for a cash payment of \$1,000,000.

During the year ended February 28, 2023, the Company recorded an impairment of \$10,007 for 3 mineral claims that expired. During the year ended February 29, 2024, the Company recorded an impairment of \$622,934 for the expiration of the remaining mineral claims.

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 (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.

During the year ended February 29, 2024, the Company recorded an impairment of \$30,228 for the mineral claim that expired.

James Bay, Quebec

As announced in News Release of December 19, 2022, the Company acquired, by map staking, a 100-per-cent 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, Que. The project area is located within NTS (national topographic system) map sheets 33E01 and 33F04. The Company expended approximately \$21,440 cash to acquire the claims. The Company anticipates approximately 10 more claims will be added to the project once approved by Quebec Mines Branch.

Nabikok Property, Quebec

On August 18, 2023, the Company entered into a binding letter of intent ("LOI") to acquire 50% legal and beneficial interest in and to 155 exploration claims of the property. To earn this interest, the Company is to fund an aggregate amount of \$600,000 exploration costs as follows: (1) \$100,000 prior to the first anniversary (incurred) (2) \$200,000 prior to the second anniversary (3) \$300,000 prior to the third anniversary.

Transactions with Related Parties

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- (a) As at August 31, 2024, the amount of \$185,260 (February 28, 2024 – \$139,230) 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 August 31, 2024, the Company owed \$125,000 (February 29, 2024 – \$125,000) to the spouse of the Chief Executive Officer of the Company.
- (c) During the period ended August 31, 2024, the amount of \$30,000 (August 31, 2023 – \$30,000) was incurred to the Chief Executive Officer of the Company for consulting fees and \$10,000 (August 31, 2023 - \$Nil) for geological services.

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Off Balance sheet Arrangements

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

Financial Instruments and Other Instruments

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, advance receivable, loan receivable, accounts payable and accrued liabilities, loans payable, and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the six months ended August 31, 2024, 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 exploration and evaluation assets is disclosed in the financial statements for the six months ended August 31, 2024 to which this MD&A relates.

Disclosure of Outstanding Share Data

As at October 30, 2024, the Company has 17,501,962 common shares issued and outstanding.

As at October 30, 2024, the Company had the following share purchase warrants outstanding

- a) 150,000 warrants exercisable at \$0.60 until June 28, 2026.

As at October 30, 2024, the Company has no stock options outstanding.

RISK FACTORS

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and

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energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.