



*Condensed Consolidated Interim Financial Statements of*

**AURION RESOURCES LTD.**

*For the three and nine months ended September 30, 2022 and 2021*



## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Aurion Resources Ltd. for the three and nine months ended September 30, 2022 and 2021 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# **AURION RESOURCES LTD.**

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**AURION RESOURCES LTD.****Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars - unaudited)**

	Note	As at September 30, 2022 \$	As at December 31, 2021 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		2,853,166	20,300,998
Short-term investments	5	9,050,266	-
Reclamation deposit		132,925	129,507
Receivables	6	246,608	241,694
Prepaid expenses		474,729	415,982
Marketable securities	7	4,860,001	5,018,335
<b>Total current assets</b>		<b>17,617,695</b>	<b>26,106,516</b>
EXPLORATION AND EVALUATION ASSETS	8	39,409,611	35,280,764
INVESTMENT IN ASSOCIATE	9	3,123,434	3,842,062
RIGHT-OF-USE ASSETS	10	26,336	28,854
PROPERTY AND EQUIPMENT	11	111,552	91,147
<b>Total assets</b>		<b>60,288,628</b>	<b>65,349,343</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Trade payables and accrued liabilities		804,467	768,777
Joint Venture contribution payable		963,126	-
Lease liability	12	3,676	34,624
<b>Total current liabilities</b>		<b>1,771,269</b>	<b>803,401</b>
<b>NON-CURRENT</b>			
Lease liability	12	23,026	-
Deferred share unit liability	13	721,154	1,217,213
<b>Total non-current liabilities</b>		<b>744,180</b>	<b>1,217,213</b>
<b>Total Liabilities</b>		<b>2,515,449</b>	<b>2,020,614</b>
<b>SHAREHOLDERS' EQUITY</b>	13	<b>57,773,179</b>	<b>63,328,729</b>
		<b>60,288,628</b>	<b>65,349,343</b>

BASIS OF PREPARATION

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AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD OF DIRECTORS ON November 28, 2022:

"Dennis Clarke" Director"David Loveys" Director

see accompanying notes to the condensed consolidated interim financial statements

**AURION RESOURCES LTD.**
**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss**

(Expressed in Canadian Dollars - unaudited)

	Note	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
		\$	\$	\$	\$
<b>EXPENSES</b>					
Share-based payments	13	177,695	319,391	1,197,949	949,655
Wages and benefits		165,379	163,291	771,845	764,144
General and administrative		300,367	305,925	764,582	785,752
Professional fees		45,369	33,253	137,593	101,905
Depreciation	11	17,755	28,253	53,595	76,539
Accounting		15,956	8,851	55,751	51,998
Amortization of right-of-use assets	10	3,950	8,656	16,809	25,968
Consulting fees		69,000	16,500	257,000	27,500
Interest and bank charges		1,494	802	5,063	3,563
Interest on lease liabilities	12	699	1,387	1,735	4,161
Write-down of exploration and evaluation assets	8	-	2,435	223,547	10,594
		<b>(797,664)</b>	<b>(888,744)</b>	<b>(3,485,469)</b>	<b>(2,801,779)</b>
Foreign exchange loss		(70,615)	3,371	(199,607)	(49,534)
Interest and other income		89,837	25,328	265,464	75,453
Loss on sale of equipment		-	2,798	-	2,798
Gain on property transactions	8	-	-	326,666	517,501
Share of losses related to associate	9	(275,115)	(59,398)	(723,053)	(277,790)
Unrealized gain (loss) on marketable securities	7	440,000	546,667	(485,001)	(1,465,001)
		<b>184,107</b>	<b>518,766</b>	<b>(815,531)</b>	<b>(1,196,573)</b>
<b>Net Loss for the Period</b>		<b>(613,557)</b>	<b>(369,978)</b>	<b>(4,301,000)</b>	<b>(3,998,352)</b>
Foreign currency translation	9	243,190	-	307,619	-
<b>Comprehensive Loss for the Period</b>		<b>(370,367)</b>	<b>(369,978)</b>	<b>(3,993,381)</b>	<b>(3,998,352)</b>
<b>Loss per Common Share - Basic and Diluted</b>		<b>(0.01)</b>	<b>(0.004)</b>	<b>(0.04)</b>	<b>(0.04)</b>
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>		<b>117,797,613</b>	<b>98,876,904</b>	<b>117,656,901</b>	<b>96,036,013</b>

see accompanying notes to the condensed consolidated interim financial statements

**AURION RESOURCES LTD.**

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars - unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Share-based Payment Reserve	Expired Stock Options and Warrants Reserve	Accumulated Other Comprehensive Income	Deficit	Total Equity
		\$	\$		\$	\$	\$	\$	\$
Balance, December 31, 2020	83,476,771	51,183,577	434,343	4,332,608	7,475,072	4,032,709	-	(26,495,019)	40,963,290
Loss for the nine months ended September 30, 2021								(3,998,352)	(3,998,352)
Shares issued for private placements	13,425,033	11,411,278	-	-	-	-	-	-	11,411,278
Exercise of stock options	1,975,000	444,910	-	-	(219,410)	-	-	-	225,500
Expiry of finders' warrants	-	-	(434,343)	-	-	434,343	-	-	-
Contribution from associate	-	-	-	(201,860)	-	-	-	-	(201,860)
Share-based payments - stock options	-	-	-	-	1,006,350	-	-	-	1,006,350
Share issuance costs - cash	-	(740,015)	-	-	-	-	-	-	(740,015)
Share issuance costs - finders' warrants	-	(276,243)	276,243	-	-	-	-	-	-
<b>Balance, September 30, 2021</b>	<b>98,876,804</b>	<b>62,023,507</b>	<b>276,243</b>	<b>4,130,748</b>	<b>8,262,012</b>	<b>4,467,052</b>	<b>-</b>	<b>(30,493,371)</b>	<b>48,666,191</b>
Balance, December 31, 2021	117,554,971	77,197,378	822,066	6,401,577	8,430,756	4,467,052	(113,674)	(33,876,425)	63,328,730
Loss for the nine months ended, September 30, 2022								(4,301,000)	(4,301,000)
Foreign currency translation adjustment	-	-	-	-	-	-	307,619	-	307,619
Shares issued for property agreements	283,333	202,000	-	-	-	-	-	-	202,000
Expiry of stock options	-	-	-	-	(3,136,752)	3,136,752	-	-	-
Exercise of finders' warrants	16,374	21,068	(7,150)	-	-	-	-	-	13,918
Contribution from associate	-	-	-	(3,472,097)	-	-	-	-	(3,472,097)
Share-based payments - stock options	-	-	-	-	1,694,009	-	-	-	1,694,009
<b>Balance, September 30, 2022</b>	<b>117,854,678</b>	<b>77,420,446</b>	<b>814,916</b>	<b>2,929,480</b>	<b>6,988,013</b>	<b>7,603,804</b>	<b>193,945</b>	<b>(38,177,425)</b>	<b>57,773,179</b>

see accompanying notes to the condensed consolidated interim financial statements

**AURION RESOURCES LTD.****Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars - unaudited)**

		<b>For the nine months ended September 30, 2022</b>	<b>For the nine months ended September 30, 2021</b>
	<u>Note</u>	<u>\$</u>	<u>\$</u>
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		<b>(4,301,000)</b>	(3,998,352)
Items not affecting cash:			
Share-based payments	13	<b>1,197,949</b>	802,810
Unrealized loss on marketable securities	7	<b>485,001</b>	1,465,001
Share of losses related to associate	9	<b>723,053</b>	277,790
Write-down of exploration and evaluation assets	8	<b>223,547</b>	10,594
Depreciation	11	<b>53,595</b>	76,539
Amortization of right-of-use asset	10	<b>16,809</b>	25,968
Interest on lease liabilities	12	<b>1,735</b>	4,161
Gain on property transactions	8	-	(517,501)
Accrued interest income		<b>(44,647)</b>	-
Changes in non-cash operating working capital	14	<b>(70,521)</b>	222,282
		<b>(1,714,479)</b>	(1,630,708)
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditures, net		<b>(4,434,512)</b>	(4,270,316)
Contribution to associate		<b>(2,205,777)</b>	-
Purchase of property and equipment		<b>(74,000)</b>	(5,158)
Reclamation deposit		<b>(3,418)</b>	-
Interest income received		<b>(93,843)</b>	-
Short-term investments		<b>(8,911,773)</b>	-
Proceeds from disposal of assets		-	34,926
		<b>(15,723,323)</b>	(4,240,548)
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital - net	13	<b>13,918</b>	10,896,763
Repayment of lease liabilities		<b>(22,213)</b>	(28,446)
Interest paid on lease liabilities	12	<b>(1,735)</b>	(4,161)
		<b>(10,030)</b>	10,864,156
<b>INCREASE (DECREASE) IN CASH</b>		<b>(17,447,832)</b>	4,992,900
<b>CASH, BEGINNING OF PERIOD</b>		<b>20,300,998</b>	1,704,898
<b>CASH, END OF PERIOD</b>		<b>2,853,166</b>	6,697,798
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>	14		

see accompanying notes to the condensed consolidated interim financial statements

**AURION RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**  
**(Expressed in Canadian Dollars - unaudited)**

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**1. DESCRIPTION OF BUSINESS**

Aurion Resources Ltd. (the “Company”) was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and was continued into British Columbia on August 10, 2018 under the *Business Corporations Act (British Columbia)*. The Company was listed on the TSX Venture Exchange (the “Exchange”) on October 3, 2008. The Company has its registered and records office at 130 Saddlehorn Drive, Kaleden, BC, Canada, and its principal office is 120 Torbay Road, Suite W220, St. John’s, Newfoundland and Labrador, Canada. The Company and its wholly-owned subsidiaries are engaged in the evaluation, acquisition and exploration of mineral properties in Canada, the United States, and Finland. The Company plans to ultimately develop the properties, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage.

These condensed consolidated interim financial statements (the “financial statements”) for the three and nine months ended September 30, 2022 were authorized for issuance by the Board of Directors of the Company on November 28, 2022.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

**2. BASIS OF PREPARATION**

*Statement of compliance*

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

*Basis of consolidation and presentation*

These financial statements reflect the financial position, results of operations and cash flows of the Company and its wholly owned subsidiaries: Aurion Resources (US) LLC (USA), Aurion Resources Oy (Finland) and FennoEx Oy (Finland). All inter-company transactions and balances have been eliminated upon consolidation.

On August 4, 2022, the Company entered into a sale and purchase agreement for the disposition of its 100 % owned subsidiary Minera Aurion de Mexico S.A de C.V (“Minera Aurion”) in Mexico. For the consideration of \$1.00, the shares of Mineral Aurion were transferred to the purchaser and the Company no longer has any rights or obligations with respect to Minera Aurion. Upon disposition, the Company eliminated all remaining assets and liabilities of Minera Aurion from its financial statements.



**AURION RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars - unaudited)**

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**2. BASIS OF PREPARATION (Continued)**

On August 24, 2022, the Company closed a sale agreement for the disposition of its 100% owned subsidiary, Aurion Resources Ab (“Aurion Ab”) in Sweden. For consideration of 17,500 SEK, the shares of Aurion Ab were transferred to the purchaser and the Company no longer has any rights or obligations with respect to Aurion Ab. Upon disposition, the Company eliminated all remaining assets and liabilities of Aurion Ab from its financial statements.

The financial statements of the Company have been prepared in accordance with IFRS on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company does not have any proven economically recoverable reserves, has continuous losses, and, at September 30, 2022, the Company had an accumulated deficit of \$38,177,425 (December 31, 2021 - \$33,876,425). However, management has assessed that the working capital is sufficient for the Company to continue as a going concern beyond one year.

The success of the Company and the recoverability of exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to fund and complete the development of such reserves, the ability of the Company to satisfy obligations as they come due and upon future profitable production from the properties or proceeds from disposition. The Company’s ability to raise additional funds is dependent on favorable conditions in equity and alternative investment markets, which are volatile and subject to significant uncertainty.

The amounts shown as exploration and evaluation assets represent net costs to date, less write-offs and do not necessarily represent present or future values. 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. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the statement of financial position classifications used.

*Basis of measurement*

These financial statements have been prepared on a historical cost basis, except for financial assets classified as at fair value through profit or loss, which are measured at fair value. Additionally, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

*Currency of presentation*

All amounts are expressed in Canadian dollars, unless otherwise stated.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes for the year ended December 31, 2021. These financial statements have been prepared using the same accounting policies as described in the Company’s December 31, 2021 consolidated financial statements.

**AURION RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
For the three and nine months ended September 30, 2022 and 2021  
(Expressed in Canadian Dollars - unaudited)

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**4. CAPITAL MANAGEMENT**

The capital structure of the Company consists of capital and equity comprising share capital, warrants, reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis which remains unchanged since September 30, 2022. The Company is not subject to externally imposed capital requirements.

**5. FINANCIAL INSTRUMENTS**

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities
- Level 2 – valuation techniques based on inputs that are quoted prices or similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3 – valuation techniques with significant unobservable market inputs

The Company does not have any level 2 or 3 fair value measurements, and there have been no transfers between levels.

<b>As at September 30, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>	\$	\$	\$	\$
<b>Cash and short term investments</b>	11,903,432	-	-	11,903,432
<b>Marketable securities</b>	4,860,001	-	-	4,860,001
<b>Total financial assets</b>	16,763,433	-	-	16,763,433
<b>As at December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>	\$	\$	\$	\$
<b>Cash and short term investments</b>	20,300,998	-	-	20,300,998
<b>Marketable securities</b>	5,018,335	-	-	5,018,335
<b>Total financial assets</b>	25,319,333	-	-	25,319,333

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars - unaudited)

### 5. FINANCIAL INSTRUMENTS (Continued)

As at September 30, 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial liabilities</b>				
<b>Deferred share unit liabilities</b>	721,154	-	-	721,154
<b>Total financial liabilities</b>	721,154	-	-	721,154

  

As at December 31, 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial liabilities</b>				
<b>Deferred share unit liabilities</b>	1,217,213	-	-	1,217,213
<b>Total financial liabilities</b>	1,217,213	-	-	1,217,213

#### 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 September 30, 2022, the Company had cash and cash equivalents of \$11,903,432 to settle current liabilities of \$1,771,269. 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's current policy is to invest excess cash in either interest bearing deposit accounts or Guaranteed Income Certificates ("GICs") issued by its financial institutions. Management believes it has minimal exposure to interest rate risk.

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars - unaudited)

### 5. FINANCIAL INSTRUMENTS (Continued)

As at September 30, 2022, the Company held \$9,050,266 in short term investments (December 31, 2021 – nil). As at September 30, 2022, the carrying value of the Company's short-term investments was \$9,005,619 (December 31, 2021 - \$nil) including \$44,647 of accrued interest (December 31, 2021 – \$nil).

(b) Foreign exchange risk - The Company transacts certain business in Euro and U.S. Dollars, 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 and Euro at September 30, 2022.

	US\$	Euro
Cash	8,344	1,076,352
Receivables	-	155,747
Trade payables	(20,053)	(336,777)
Net currency exposure	(11,709)	895,322

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
	(1,171)	89,532

(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 September 30, 2022 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 \$486,000 (December 31, 2021 - \$501,833).

### 6. RECEIVABLES

A summary of the Company's receivables is as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Harmonized sales tax receivable	19,730	36,555
Value added tax receivable	198,002	205,139
Receivable from partners	28,876	-
	246,608	241,694

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars - unaudited)

### 7. MARKETABLE SECURITIES

Marketable securities consist of common shares listed on an active market that have been received pursuant to mineral property option agreements (Note 8). Changes in marketable securities outstanding are as follows:

	<b>Total</b>
	<b>\$</b>
<u>Cost</u>	
December 31, 2021	<b>4,709,669</b>
Additions	<b>326,667</b>
September 30, 2022	<b>5,036,336</b>
<u>Fair Value</u>	
December 31, 2021	<b>5,018,335</b>
Additions	<b>326,667</b>
Unrealized loss	<b>(485,001)</b>
September 30, 2022	<b>4,860,001</b>
<u>Cost</u>	
December 31, 2020	<b>4,192,168</b>
Additions	<b>517,501</b>
September 30, 2021	<b>4,709,669</b>
<u>Fair Value</u>	
December 31, 2020	<b>5,777,501</b>
Additions	<b>517,501</b>
Unrealized loss	<b>(1,465,001)</b>
September 30, 2021	<b>4,830,001</b>

The valuation of these shares has been determined in whole by reference to the bid price of the shares on the Exchange or the Canadian Securities Exchange ("CSE") at each reporting period.

### 8. EXPLORATION AND EVALUATION ASSETS

As at September 30, 2022

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
	\$		\$	\$	\$
Finland	35,280,764	4,529,538	(177,144)	(223,547)	39,409,611
United States	-	-	-	-	-
	<b>35,280,764</b>	<b>4,529,538</b>	<b>(177,144)</b>	<b>(223,547)</b>	<b>39,409,611</b>

**AURION RESOURCES LTD.**  
**Notes to the Consolidated Financial Statements**  
For the three and nine months ended September 30, 2022 and 2021  
(Expressed in Canadian Dollars - unaudited)

**8. EXPLORATION AND EVALUATION ASSETS (Continued)**

As at December 31, 2021

Geographical Area	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
	\$	\$	\$	\$	\$
Finland	29,812,382	5,833,482	-	(365,100)	35,280,764
United States	21,068	-	-	(21,068)	-
	<b>29,833,450</b>	<b>5,833,482</b>	<b>-</b>	<b>(386,168)</b>	<b>35,280,764</b>

- (a) 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 in Finland. On January 18, 2016, the Company formalized a definitive option agreement with B2Gold consistent with the terms of the binding letter agreement signed on August 12, 2015.

Under the terms of the option agreement, B2Gold could earn an initial 51% interest by completing \$5,000,000 in exploration expenditures, paying the Company \$50,000 cash and issuing 550,000 B2Gold common shares over four years. B2Gold could earn an additional 19% interest by spending a further \$10,000,000 over two years and earn an additional 5% interest (for a total of 75%) by completing a bankable feasibility study. The first year guaranteed commitment required \$750,000 in exploration expenditures, including 2,000 meters of drilling and payment of \$50,000 cash and 50,000 B2Gold shares. Over the period from January 18, 2016 to August 13, 2019, the Company received a total of \$50,000 in cash and 550,000 B2Gold common shares.

On August 13, 2019, the Company received a Notice of Exercise of Option from B2Gold confirming that B2Gold had fulfilled its obligations under the option agreement dated January 18, 2016, and that as of August 14, 2019, the Option was deemed to be exercised.

On August 14, 2019, the Company entered into a Shareholders Agreement (“Shareholders Agreement”) with B2Gold for the management and operation of a new company incorporated upon exercise of the option on August 13, 2019. Fingold Ventures Ltd. (“Fingold”) was incorporated on August 14, 2019 (Note 9). The Kutuvuoma, Ahvenjarvi, Sore-Eksy, Tepsa and Sinermanpalo properties were transferred into Fingold and, as per the terms of the Shareholders Agreement, B2Gold held 51% and the Company held 49% of Fingold share capital.

On April 15, 2021, the Company entered into an agreement with B2Gold for the amendment of the Shareholders Agreement dated August 13, 2019 (“Amending Agreement”). The primary amendment was the inclusion of the Kiekerömaa property in the scope of the Shareholders Agreement and the subsequent transfer of the related permits to B2Gold.

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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### 8. EXPLORATION AND EVALUATION ASSETS (Continued)

On October 18, 2021, the Company announced that B2Gold provided notice to the Company to exercise its option to acquire an additional 19% interest in Fingold, pursuant to the Shareholders Agreement of August 14, 2019, taking its total interest in Fingold to 70%. B2Gold also provided the Company with notice of its intention to solely fund all programs and budgets until completion of a Feasibility Study as is required per the terms of the Shareholders Agreement to acquire its remaining 5% ownership interest.

On December 7, 2021, the Company received notice from B2Gold that, pursuant to section 8.3(d) of the Shareholders Agreement, the option to acquire the additional 5% interest was terminated and the ownership interests of B2Gold and the Company will remain at 70% and 30% respectively. Effective February 6, 2022, the B2Gold sole funding period ended and the Company began contributing 30% to the cost of funding all programs and budgets.

- (b) On October 26, 2021, the Company entered into an option agreement with B2Gold granting B2Gold the option to earn up to a 75% interest in the Company's wholly owned Kuortis Property in northern Finland. Under the terms of the agreement, B2Gold may acquire up to a 75% undivided interest over five years by issuing 50,000 B2Gold common shares and incurring \$2,500,000 in expenditures. Under the First Option, B2Gold may earn the right to acquire a 51% undivided interest in the property by issuing 25,000 B2Gold common shares and incurring a minimum of \$750,000 in expenditures on or before the second anniversary date and, incurring additional expenditures of not less than \$1,750,000 on or before the fifth anniversary date. Under the Second Option, B2Gold may earn the right to acquire an additional 24% undivided interest in the property by completing the First Option and providing notice of same, and, by issuing an additional 25,000 B2Gold common shares and incurring expenditures of not less than \$2,500,000 on or before the fifth anniversary date.
- (c) On January 31, 2018, the Company signed a non-binding Letter of Intent ("LOI") with Kinross Gold Corporation ("Kinross"), granting Kinross the right to earn up to an undivided 70% interest in the Outa project, an area covering approximately 15,000 ha in Northern Finland. Under the terms of the LOI, Kinross must spend US\$5,000,000 over five years to earn a 70% interest in the project and Kinross has agreed to expend US\$1,000,000 on exploration of the project within the first two years.

On August 17, 2018, the Company entered into an option agreement with Kinross pursuant to the terms of the LOI signed on January 31, 2018.

On May 3, 2021, the Company received formal notice from Kinross that, pursuant to Section 8.1 (a) of the Option agreement dated August 17, 2018, the option agreement with the Company was terminated effective April 1, 2021.

- (d) On November 5, 2021, the Company entered into an option agreement with Kinross, granting Kinross the right to earn up to a 70% undivided interest in the Silaskaira property in northern Finland. Under the terms of the agreement, Kinross can earn a 70% undivided interest in the project by making a cash payment of CA\$100,000 and incurring expenditures of US\$5,000,000 on, or before, the fifth anniversary of the agreement. Kinross has agreed to incur a minimum of US\$1,000,000 in exploration expenditures within the first two years and will act as the operator. Should the Company's interest in the future joint venture be diluted to 10% or less, the Company's interest will

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**8. EXPLORATION AND EVALUATION ASSETS (Continued)**

be converted to a 2% Net Smelter Returns Royalty on the property. The Company also amended its agreement with Dragon Mining Ltd (“Dragon”), whereby it has issued 130,000 common shares of the Company to Dragon to eliminate encumbrances on the Silaskaira property.

- (e) On April 24, 2019, the Company entered into an option agreement with Strategic Resources Inc. (“Strategic”) granting Strategic the option to earn a 100% interest in the Company’s wholly owned Silasselka Vanadium Project in northern Finland. Under the terms of the option agreement, Strategic may acquire up to a 100% interest in the project by paying \$500,000 cash, issuing 8,000,000 Strategic shares and incurring \$3,000,000 in exploration expenditures, through a two stage earn-in over a period of three years.

On June 16, 2020, the Company signed an agreement to amend the terms of the option agreement entered into with Strategic on April 24, 2019. Under the terms of the amending agreement, Strategic was granted a single option to acquire 100% interest in the Silasselka property by paying \$500,000 and granting 8,000,000 common shares of Strategic over three years and, with the exception of expenditures required to keep the property in good standing, the requirement to incur a minimum of \$3,000,000 in expenditures was waived.

On June 10, 2021, the Company received 1,916,667 Strategic shares at a fair value of \$517,501 (Note 7) which is reflected as a gain on property transactions in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2021.

On June 10, 2022, the Company received 1,166,666 Strategic shares at a fair value of \$326,666 (Note 7). The value of the shares received was offset by the related deferred asset balance of \$151,226 and the resulting gain of \$175,440 is reflected as a gain on property transactions in the consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2022.

As at September 30, 2022, the Company received a total of 8,000,000 Strategic shares and \$500,000. Strategic has met the terms of the agreement and earned 100% interest in the property.

- (f) During the year ended December 31, 2021, the Company determined that the land permits in the United States no longer hold merit for future development. The carrying value of the properties was reduced to nil by a write down of \$21,068 recorded at December 31, 2021.
- (g) On May 19, 2022, the Company entered into an Agreement with S2 Resources Ltd (“S2”) to acquire a 100% interest of a land tenement in Northern Finland by issuing 200,000 common shares to S2. On June 14, 2022, pursuant to the terms of the Agreement, the Company issued 200,000 common shares at a deemed value of \$152,000 (\$0.78) to acquire 100% interest in the property. The shares will be held in escrow pending permit extension approval by the regulatory agency in Finland and title transfer to the Company.



# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

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### 8. EXPLORATION AND EVALUATION ASSETS (Continued)

(h) On August 7, 2022, the Company announced that it had agreed with Tertiary Minerals Plc (“Tertiary”) to acquire and cancel the pre-production and net smelter returns royalties held by Tertiary on two gold prospects that were purchased from Tertiary pursuant to an agreement between Tertiary and the Company dated December 1, 2016. It was agreed that the royalties on the Kaaresselkä property, which is 100% owned by the Company and Kiekerömaa property, which is included in B2Gold Shareholders’ Agreement would be repurchased by the Company for total consideration paid on closing of \$200,000 and 83,333 common shares of the Company. The B2Gold/Aurion Joint Venture paid \$125,000 and \$75,000 was paid from the Company. The 83,333 common shares were issued from Treasury by the Company on September 2, 2022 and held in trust until the closing of the agreements on October 6, 2022 (Note 16).

### 9. INVESTMENT IN ASSOCIATE

The Company has a 30% equity interest (3,000 common shares) in Fingold which was incorporated on August 14, 2019, subsequent to B2Gold exercising its Option on August 13, 2019, pursuant to the Option Agreement entered into on January 18, 2016 (Note 8).

On October 18, 2021, B2Gold exercised its option to acquire an additional 19% interest in Fingold, taking its total interest in Fingold to 70%. On December 7, 2021, B2Gold terminated its option to acquire an additional 5% interest, leaving the ownership interests of B2Gold and the Company at 70% and 30% respectively. The B2Gold period of sole funding ended on February 6, 2022 and the Company began contributing 30% of capital to Fingold.

	As at September 30, 2022
	\$
Current assets	1,034,209
Non-current assets	22,217,147
Current liabilities	12,839,906
Non-current liabilities	-
Loss for the period	917,051
The Company's percent of ownership	30%

The following table is a reconciliation of the carrying value of the investment in Fingold:

	September 30, 2022
	\$
Opening balance	3,842,062
Contribution from associate	(303,194)
Proportionate share of loss	(723,053)
Proportionate share of foreign currency translation adjustment	307,619
Ending balance	3,123,434

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

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### 10. RIGHT-OF-USE ASSETS

Upon transition to IFRS 16 at January 1, 2019, the Company identified one office lease for its corporate office space in St. John's, NL. The Company was released from the terms of this lease at May 31, 2022 in conjunction with entering into a new two year lease for its corporate office space in the same building. The continuity of ROU assets is as follows:

	September 30, 2022	December 31, 2021
	\$	\$
ROU assets, opening balance	28,854	63,478
Cancellation of remaining lease term	(14,427)	-
Addition of new lease	31,603	-
Less, depreciation of ROU assets	(19,694)	(34,624)
<b>ROU assets, ending balance</b>	<b>26,336</b>	<b>28,854</b>

### 11. PROPERTY AND EQUIPMENT

	Computers	Furniture and Equipment	Total
	\$	\$	\$
<b>Cost:</b>			
At December 31, 2021	252,384	268,078	520,462
Additions	20,367	53,633	74,000
Disposals	-	-	-
<b>At September 30, 2022</b>	<b>272,751</b>	<b>321,711</b>	<b>594,462</b>
<b>Depreciation:</b>			
At December 31, 2021	248,668	180,647	429,315
Additions	7,423	46,172	53,595
Disposals	-	-	-
<b>At September 30, 2022</b>	<b>256,091</b>	<b>226,819</b>	<b>482,910</b>
<b>Carrying value:</b>			
At December 31, 2021	3,716	87,431	91,147
<b>At September 30, 2022</b>	<b>16,660</b>	<b>94,892</b>	<b>111,552</b>

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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### 11. PROPERTY AND EQUIPMENT (Continued)

	Computers	Furniture and Equipment	Total
	\$	\$	\$
<b>Cost:</b>			
At December 31, 2020	252,384	320,827	573,211
Additions	5,158	-	5,158
Disposals	(5,158)	(52,749)	(57,907)
At December 31, 2021	252,384	268,078	520,462
<b>Depreciation:</b>			
At December 31, 2020	215,709	140,571	356,280
Additions	34,700	57,899	92,599
Disposals	(1,741)	(17,823)	(19,564)
At December 31, 2021	248,668	180,647	429,315
<b>Carrying value:</b>			
At December 31, 2020	36,675	180,256	216,931
<b>At December 31, 2021</b>	<b>3,716</b>	<b>87,431</b>	<b>91,147</b>

### 12. LEASE LIABILITES

The continuity for the lease liabilities is as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Lease liabilities, opening balance	34,624	72,552
Cancellation of remaining lease term	(17,312)	-
Addition of new lease	31,603	-
Less, lease payments	(23,948)	(43,473)
Interest expense	1,735	5,545
Lease liabilities, ending balance	26,702	34,624
Less, current portion of lease liabilities	(3,676)	(34,624)
Non-current portion of lease liabilities	23,026	-

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

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### 13. SHAREHOLDERS' EQUITY

#### *Share Capital*

#### *Authorized*

An unlimited number of common shares with no par value, and  
An unlimited number of preferred shares issuable in series.

On January 10, 2022, the Company issued 4,500 common shares pursuant to the exercise of warrants for gross proceeds of \$3,825 (\$0.85 per warrant). The Company also recorded a fair value transfer between share-based payment reserve and share capital of \$1,965 in connection with the exercise.

On March 14, 2022, the Company issued 11,874 common shares pursuant to the exercise of warrants for gross proceeds of \$10,093 (\$0.85 per warrant). The Company also recorded a fair value transfer between share-based payment reserve and share capital of \$5,185 in connection with the exercise.

On June 10, 2022, the Company issued 200,000 common shares pursuant to a property acquisition agreement (Note 8).

On September 2, 2022, the Company issued 83,333 common shares pursuant to a royalty repurchase agreement (Note 8).

#### *Issued during the year ended December 31, 2021:*

On January 19, 2021, the Company issued 1,800,000 common shares pursuant to the exercise of stock options for gross proceeds of \$180,000 (\$0.10 per share). The Company also recorded a fair value transfer between share-based payment reserve and share capital of \$173,850 in connection with the exercise.

On February 23, 2021, the Company announced the completion of a marketed private placement and a non-brokered private placement for an aggregate of 13,425,033 common shares issued at a price of \$0.85 for gross proceeds of \$11,411,278.

Under the marketed private placement, a total of 11,855,033 common shares were issued at a price of \$0.85 for gross proceeds of \$10,076,778. The marketed private placement was led by Cormark Securities Inc. on behalf of a syndicate of agents (collectively, the "Agents") including Canaccord Genuity Corp., Haywood Securities Inc, and PI Financial Corp. In consideration for their services, the Agents received a cash commission of \$537,723, equal to 5.5% of the gross proceeds of the marketed private placement, other than in respect to certain purchasers on a president's list (the "President's List"), in which case such cash commission was reduced to 2.75%. Additionally, the Agents received 632,615 broker warrants (the "Broker Warrants") such a number equal to 5.5% of the number of Common Shares issued under the Offering, and other than in respect of certain purchasers on the President's List, in which case such number of Broker Warrants was reduced to 2.75%. The Broker Warrants are exercisable at a price of \$0.85 per common share for a period of two years from the closing of the marketed private placement. The fair value of the broker warrants granted was estimated at \$276,243 (\$0.44 per warrant) based on the Black-Scholes pricing model, with the following assumptions: risk-free interest rate of 1.5%, volatility

# **AURION RESOURCES LTD.**

## **Notes to the Consolidated Financial Statements**

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### **13. SHAREHOLDERS' EQUITY (Continued)**

of 87%, dividend yield of 0%, forfeiture rate of 0% and an expected life of two years. The Company incurred other costs of \$202,292 in cash for total share issuance costs in connection with the brokered and non-brokered private placement of \$1,016,258.

Under the non-brokered financing, a total of 1,570,000 common shares were issued for gross proceeds of \$1,334,500. The non-brokered financing was fully subscribed by Kinross who exercised their pro rata right granted pursuant to a prior financing to maintain a 9.98% interest in the issued and outstanding shares of the Company.

On June 30, 2021, the Company issued 175,000 common shares pursuant to the exercise of stock options for gross proceeds of \$45,500 (\$0.26 per share). The Company also recorded a fair value transfer between share-based payment reserve and share capital of \$45,559 in connection with the exercise.

On November 25, 2021, the Company announced the completion of a marketed private placement and a non-brokered private placement for an aggregate of 18,548,167 common shares issued at a price of \$0.90 for gross proceeds of \$16,693,350.

Under the marketed private placement, a total of 16,666,667 common shares were issued at a price of \$0.90 for gross proceeds of \$15,000,000. The marketed private placement was led by Red Cloud Securities Inc. on behalf of a syndicate of agents (collectively, the "Agents"). In consideration for their services, the Agents received a cash commission of \$884,192 equal to 6% of the gross proceeds of the marketed private placement, other than in respect to certain purchasers on a president's list (the "President's List"), in which case such cash commission was reduced to 3%. Additionally, the Agents received 951,308 broker warrants (the "Broker Warrants") such a number equal to 6% of the number of Common Shares issued under the Offering, and other than in respect of certain purchasers on the President's List, in which case such number of Broker Warrants was reduced to 3%. The Broker Warrants are exercisable at a price of \$0.90 per common share for a period of two years from the closing of the marketed private placement. The fair value of the broker warrants granted was estimated at \$545,823 (\$0.57 per warrant) based on the Black-Scholes pricing model, with the following assumptions: risk-free interest rate of 0.98%, volatility of 87%, dividend yield of 0%, forfeiture rate of 0% and an expected life of two years. The Company incurred other costs of \$232,463 in cash for total share issuance costs in connection with the brokered and non-brokered private placement of \$1,662,478.

Under the non-brokered financing, a total of 1,881,500 common shares were issued for gross proceeds of \$1,693,350. The non-brokered financing was fully subscribed by Kinross who exercised their pro rata right granted pursuant to a prior financing to maintain a 9.98% interest in the issued and outstanding shares of the Company.

On November 25, 2021, the Company issued 130,000 common shares with a fair value of \$143,000 pursuant to the terms of an amending agreement entered into on October 28, 2021 with Dragon (Note 8).

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**13. SHAREHOLDERS' EQUITY (Continued)**

*Preferred shares*

The preferred shares which have been authorized may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. No preferred shares have been issued from incorporation to September 30, 2022.

*Deferred Share Units*

The Company has a Deferred Share Unit Plan ("DSU Plan") under which Deferred Share Units may be granted to directors, officers and employees of the Company. The purpose of the Company's DSU Plan is to advance the interests of the Company by: (i) aligning the interests of directors, officers and employees with the interests of the shareholders; (ii) encouraging directors, officers and employees to remain associated with the Company; and (iii) furnishing directors, officers and employees with an additional incentive in their efforts on behalf of the Company. DSUs are redeemable upon departure from the Company, at the holder's option, and will be settled in cash from the general assets of the Company. The fair value of DSUs granted will be recorded as a bookkeeping entry on the books of the Company, the value of which on any particular date being equal to the market value of the Company shares.

Changes in DSUs outstanding are as follows:

	<b>Granted</b>	<b>Vested</b>
Balance, December 31, 2021	<b>1,902,619</b>	<b>443,902</b>
Granted	<b>410,714</b>	-
Vested	-	<b>415,539</b>
Adjustment to opening balance	<b>31</b>	-
<b>Balance, September 30, 2022</b>	<b>2,313,364</b>	<b>859,441</b>

	<b>Granted</b>	<b>Vested</b>
Balance, December 31, 2020	<b>1,327,098</b>	<b>316,964</b>
Granted	<b>1,067,784</b>	-
Vested	-	<b>301,753</b>
Redeemed	<b>(174,815)</b>	<b>(174,815)</b>
Cancelled	<b>(317,448)</b>	-
<b>Balance, December 31, 2021</b>	<b>1,902,619</b>	<b>443,902</b>

During the nine months ended September 30, 2022, the Company recognized a net credit of \$496,060 in share-based payment expense relating to DSUs outstanding with an offset recorded in deferred share unit liability.

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**13. SHAREHOLDERS' EQUITY (Continued)**

On March 31, 2022, the Company issued 83,333 DSUs to certain officers under its DSU plan at a market value of \$1.02 per DSU. These DSUs will vest one third on each of March 31, 2023, March 31, 2024, and March 31, 2025.

On June 30, 2022, the Company issued 125,000 DSUs to certain officers under its DSU plan at a market value of \$0.68 per DSU. These DSUs will vest one third on each of June 30, 2023, June 30, 2024, and June 30, 2025.

On September 30, 2022, the Company issued 202,381 DSUs to certain officers under its DSU plan at a market value of \$0.42 per DSU. These DSUs will vest one third on each of September 30, 2023, September 30, 2024, and September 30, 2025.

As a result of DSUs marked to market at September 30, 2022, the total DSU liability was \$721,154 (December 31, 2021 - \$1,217,213).

On March 31, 2021, the Company issued 530,488 DSUs to certain officers under its DSU plan at a market value of \$0.82 per DSU. These DSUs will vest one third on each of June 30, 2022, March 31, 2023, and March 31, 2024.

Effective March 31, 2021, upon the resignation of the President (see Note 16), 174,815 DSUs, the total vested DSUs held by the President at that date, were redeemed at a value of \$0.84 per DSU for a cash payment of \$146,845 with an offset recorded to deferred share unit liability. As a part of this transaction, 317,448 DSUs, the total unvested DSUs held by the President at that date, were cancelled and the previously recorded expense of \$127,901 related to these DSUs was recorded as a credit to share-based payments with an offset to deferred share unit liability.

On June 30, 2021, the Company issued 84,158 DSUs to certain officers under its DSU plan at a market value of \$1.01 per DSU. These DSUs will vest one third on each of June 30, 2022, June 30, 2023, and June 30, 2024.

On September 30, 2021, the Company issued 116,438 DSUs to certain officers under its DSU plan at a market value of \$0.73 per DSU. These DSUs will vest one third on each of September 30, 2022, September 30, 2023, and September 30, 2024.

On November 11, 2021, the Company issued 271,845 DSUs to certain officers under its DSU plan at a market value of \$1.03 per DSU. These DSUs will vest one third on each of November 11, 2022, November 11, 2023, and November 11, 2024.

On December 31, 2021, the Company issued 64,855 DSUs to certain officers under its DSU plan at a market value of \$1.31 per DSU. These DSUs will vest one third on each of December 31, 2022, December 31, 2023, and December 31, 2024.

During the year ended December 31, 2021, the Company recognized expense of \$437,771 in share-based payment expense relating to DSUs outstanding with an offset recorded in deferred share unit liability.

# AURION RESOURCES LTD.

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### 13. SHAREHOLDERS' EQUITY (Continued)

As a result of DSUs marked to market at December 31, 2021, along with adjustments recorded for redemptions and cancellations, the total DSU liability was \$1,217,213 (December 31, 2020 - \$779,442).

The following is a summary of DSUs granted to officers, directors and employees for the nine months ended September 30, 2022:

<b>Grant date</b>	<b># DSUs granted</b>	<b>Market value*</b>	<b>Vesting details</b>
31-Mar-22	83,333	\$ 1.02	1/3 on each of first, second and third anniversaries of grant
30-Jun-22	125,000	\$ 0.68	1/3 on each of first, second and third anniversaries of grant
30-Sep-22	202,381	\$ 0.42	1/3 on each of first, second and third anniversaries of grant
	410,714		

\* Volume weighted average trading price for 5 days prior to grant date

The following is a summary of DSUs granted to officers, directors and employees for the year ended December 31, 2021:

<b>Grant date</b>	<b># DSUs granted</b>	<b>Market value*</b>	<b>Vesting details</b>
31-Mar-21	530,488	\$ 0.82	1/3 on each of first, second and third anniversaries of grant
30-Jun-21	84,158	\$ 1.01	1/3 on each of first, second and third anniversaries of grant
30-Sep-21	116,438	\$ 0.73	1/3 on each of first, second and third anniversaries of grant
11-Nov-21	271,845	\$ 1.03	1/3 on each of first, second and third anniversaries of grant
31-Dec-21	64,855	\$ 1.31	1/3 on each of first, second and third anniversaries of grant
	1,067,784		

\* Volume weighted average trading price for 5 days prior to grant date

#### *Stock options*

The Company has a Stock Option Plan under which options to purchase common shares in the Company may be granted to directors, officers, key employees and consultants of the Company. The maximum number of options which may be granted under the stock option plan is equivalent to 10% of the issued and outstanding common shares of the Company. The exercise price for the options is set by the Company at an amount equal to the Exchange trading price on the day preceding the date the options are granted, less any applicable discount as permitted by the Exchange policies as decided by the Company. The exercise period for the options is determined by the Company at the time the options are granted and shall not exceed ten years. Vesting terms for the options are also determined by the Company at the time of grant.



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**13. SHAREHOLDERS' EQUITY (Continued)**

Changes in stock options outstanding are as follows:

	<b>September 30, 2022</b>	
	<b>Number</b>	<b>Weighted-Average Exercise Price (\$)</b>
Balance, December 31, 2021	<b>7,785,000</b>	<b>1.39</b>
Granted	<b>2,105,000</b>	<b>1.35</b>
Expired	<b>(1,975,000)</b>	<b>1.75</b>
<b>Balance, September 30, 2022</b>	<b>7,915,000</b>	<b>1.29</b>

	<b>December 31, 2021</b>	
	<b>Number</b>	<b>Weighted-Average Exercise Price (\$)</b>
Balance, December 31, 2020	<b>7,745,000</b>	<b>1.17</b>
Granted	<b>2,015,000</b>	<b>0.95</b>
Exercised	<b>(1,975,000)</b>	<b>0.11</b>
<b>Balance, December 31, 2021</b>	<b>7,785,000</b>	<b>1.39</b>

The following table summarizes information about stock options outstanding and exercisable:

	<b>Total Outstanding Options</b>			<b>Total Exercisable Options</b>			
	<b>Exercise Price (\$)</b>	<b>Number of Outstanding Options</b>	<b>Remaining Contractual Life</b>	<b>Weighted-Average Exercise Price (\$)</b>	<b>Number of Exercisable Options</b>	<b>Remaining Contractual Life</b>	<b>Weighted-Average Exercise Price (\$)</b>
	0.95	1,965,000	3.44	0.95	1,965,000	3.44	0.95
	0.95	50,000	3.69	0.95	50,000	3.69	0.95
	1.00	400,000	0.30	1.00	400,000	0.30	1.00
	1.05	275,000	1.22	1.05	275,000	1.22	1.05
	1.10	1,110,000	0.43	1.10	1,110,000	0.43	1.10
	1.35	2,105,000	4.32	1.35	1,052,500	4.32	1.35
	1.38	100,000	2.83	1.38	100,000	2.83	1.38
	1.67	300,000	2.15	1.67	300,000	2.15	1.67
	1.78	1,510,000	1.93	1.78	1,510,000	1.93	1.78
	1.79	100,000	2.18	1.79	100,000	2.18	1.79
		<b>7,915,000</b>	<b>2.66</b>	<b>1.29</b>	<b>6,862,500</b>	<b>2.40</b>	<b>1.28</b>

**AURION RESOURCES LTD.**  
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**13. SHAREHOLDERS' EQUITY (Continued)**

*Share-based payment reserve*

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

During the nine months ended September 30, 2022, the Company recorded share-based payment expense of \$1,694,009 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

On January 25, 2022, the Company granted 2,105,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$1.35 per share until January 24, 2027. The fair value of the stock options granted was estimated at \$0.88 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 1.23%, volatility of 93.24%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The options will vest in two tranches, 50% on July 24, 2022 and 50% on January 24, 2023.

During the year ended December 31, 2021, the Company recorded share-based payment expense of \$1,175,094 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

On March 17, 2021, the Company granted 1,965,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.95 per share until March 9, 2026. The fair value of the stock options granted was estimated at \$0.63 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 0.58%, volatility of 99.73%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. Of the total stock options issued, 100,000 will vest in two tranches, 50% on March 9, 2022 and 50% on September 9, 2022 and 1,865,000 will vest in two tranches, 50% on September 9, 2021 and 50% on March 9, 2022.

On June 7, 2021, the Company granted 50,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.95 per share until June 7, 2026. The fair value of the stock options granted was estimated at \$0.78 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 0.71%, volatility of 96.93%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The stock options will vest in two tranches, 50% on December 7, 2021 and 50% on June 7, 2022.

During the year ended December 31, 2020, the Company recorded share-based payment expense of \$1,626,272 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

On July 28, 2020, the Company granted 100,000 stock options to a director, exercisable at a price of \$1.38 per share until July 28, 2025. The fair value of the stock options granted was estimated at \$0.99 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 0.33%, volatility of 109.24%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The stock options will vest in two tranches, 50% on January 28, 2021 and 50% on July 28, 2021.

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars - unaudited)

### 13. SHAREHOLDERS' EQUITY (Continued)

#### *Expired stock options and warrants reserve*

The expired stock options and warrants reserve records the value of any stock options or warrants that have expired unexercised.

#### *Warrants*

Changes in warrants outstanding are as follows:

	Number	Weighted-Average Exercise price (\$) (\$)
Balance, December 31, 2021	1,583,923	0.88
Exercised	(16,374)	0.85
Balance, September 30, 2022	1,567,549	0.88

	Number	Weighted-Average Exercise price (\$) (\$)
Balance, December 31, 2020	720,481	1.30
Issued	1,583,923	0.88
Expired	(720,481)	1.30
Balance, December 31, 2021	1,583,923	0.88

The following table summarizes information about warrants outstanding:

Number of Outstanding Warrants	Exercise Price (\$)	Expiry Date
616,241	0.85	February 23, 2023
951,308	0.90	November 25, 2023
1,567,549		

### 14. SUPPLEMENTAL CASH FLOW INFORMATION

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
<i>Changes in non-cash operating working capital</i>	\$	\$
Change in receivables	(4,914)	(21,406)
Change in prepaid expenses	(58,748)	(95,342)
Change in trade payables and accrued liabilities	(6,859)	339,030
	(70,521)	222,282

# AURION RESOURCES LTD.

## Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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### 14. SUPPLEMENTAL CASH FLOW INFORMATION (Continued)

	<b>nine months ended September 30, 2022</b>	nine months ended September 30, 2021
	\$	\$
<i>Non-cash investing and financing activities</i>		
Contribution from associate (Note 9)	<b>723,053</b>	201,860
Receipt of marketable securities as consideration for option payments (Note 7)	<b>326,666</b>	517,501
Exploration and evaluation costs remaining in trade payables and accrued liabilities	<b>393,981</b>	436,529
Exploration and evaluation costs remaining in receivables	<b>28,878</b>	-
Fair value of warrants issued (Note 13)	<b>7,150</b>	276,243

### 15. RELATED PARTY TRANSACTIONS

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

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
Matti Talikka, CEO	<b>104,996</b>	124,062	<b>618,961</b>	427,367
Mark Serdan, CFO	<b>43,214</b>	40,118	<b>338,114</b>	202,438
Mark Santarossa, VP Corporate Development	<b>32,882</b>	10,213	<b>187,675</b>	108,614
Michael Basha, (former President)	-	4,204	<b>21,712</b>	76,860
Other Directors	<b>18,088</b>	69,309	<b>149,808</b>	252,085
	<b>199,180</b>	247,906	<b>1,316,270</b>	1,067,364
Amounts expensed as:				
Salary and other short-term benefits for the CEO	<b>50,000</b>	50,000	<b>300,000</b>	150,000
Salary and other short-term benefits for the CFO	<b>37,500</b>	37,500	<b>262,500</b>	112,500
Consulting Fees paid to the VP Corp Development	<b>31,500</b>	9,000	<b>154,500</b>	9,000
Directors' Fees	<b>20,000</b>	20,000	<b>60,000</b>	55,000
Salary and other short-term benefits, VP Corp Development	-	-	-	42,624
Salary and other short-term benefits for the former President	-	-	-	100,000
Share-based compensation	<b>60,180</b>	131,406	<b>539,270</b>	598,240
	<b>199,180</b>	247,906	<b>1,316,270</b>	1,067,364

# **AURION RESOURCES LTD.**

## **Notes to the Consolidated Financial Statements**

**For the three and nine months ended September 30, 2022 and 2021**

**(Expressed in Canadian Dollars - unaudited)**

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### **15. RELATED PARTY TRANSACTIONS (Continued)**

On January 13, 2021, the Company approved a short-term loan to the CEO of the Company. The loan was issued to cover payroll taxes due upon exercise of stock options. The principal amount of the loan was \$38,720 which accrued interest at a rate of 1% per annum and was to be repaid on or before January 13, 2022. For the year ended December 31, 2021, the Company recorded interest receivable of \$277, reflected as interest income in the consolidated statements of operations and comprehensive loss. The loan and interest were repaid by the CEO on December 11, 2021.

On March 30, 2021, the Company announced the resignation of Michael Basha as President and director of the Company, effective March 31, 2021. Mr. Basha will continue as a consultant and technical advisor to the Company.

### **16. SUBSEQUENT EVENTS**

On October 7, 2022, the Company announced that it had, along with B2Gold, closed the agreements with Tertiary to acquire and cancel the pre-production and net smelter returns royalties held by Tertiary on the Kaaresselkä and Kiekerömaa properties for total consideration paid on closing of \$200,000 and 83,333 common shares of the Company (Note 8). On closing of the agreements, the Company issued 83,333 common shares and paid \$75,000 with respect to the Kiekerömaa property, and the B2Gold / Aurion Joint Venture paid \$125,000 with respect to the Kaaresselkä property.