



*Condensed Consolidated Interim Financial Statements of*

**AURION RESOURCES LTD.**

*For the three months ended March 31, 2023 and 2022*



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

The accompanying unaudited condensed consolidated interim financial statements of Aurion Resources Ltd. for the three months ended March 31, 2023 and 2022 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 March 31, 2023 \$	As at December 31, 2022 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		6,276,733	6,974,382
Short-term investments	5	-	2,000,000
Reclamation deposit		140,121	132,925
Receivables	6	263,956	292,117
Prepaid expenses		508,317	417,738
Marketable securities	7	5,470,001	5,205,001
Total current assets		12,659,128	15,022,163
EXPLORATION AND EVALUATION ASSETS	8	41,825,547	40,886,438
INVESTMENT IN ASSOCIATE	9	9,638,810	8,557,033
RIGHT-OF-USE ASSETS	10	18,435	22,385
PROPERTY AND EQUIPMENT	11	106,698	113,641
<b>Total assets</b>		<b>64,248,618</b>	<b>64,601,660</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Trade payables and accrued liabilities		658,667	715,934
Joint Venture contribution payable		771,113	819,002
Lease liability	12	11,935	23,026
Total current liabilities		1,441,715	1,557,962
<b>NON-CURRENT</b>			
Lease liability	12	7,113	-
Performance share unit liability		174,645	43,483
Deferred share unit liability	13	1,200,063	1,024,187
Total non-current liabilities		1,381,821	1,067,670
<b>Total Liabilities</b>		<b>2,823,536</b>	<b>2,625,632</b>
<b>SHAREHOLDERS' EQUITY</b>	13	<b>61,425,082</b>	<b>61,976,028</b>
		<b>64,248,618</b>	<b>64,601,660</b>

BASIS OF PREPARATION

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AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD OF DIRECTORS ON May 25, 2023:

"Dennis Clarke" Director"David Loveys" Director

**AURION RESOURCES LTD.****Condensed Consolidated Interim Statements of Operations and Comprehensive Loss****(Expressed in Canadian Dollars - unaudited)**

	Note	For the three months ended March 31, 2023 \$	For the three months ended March 31, 2022 \$
<b>EXPENSES</b>			
Share-based payments	13	560,223	591,772
Wages and benefits		185,060	454,065
General and administrative		220,242	175,071
Professional fees		76,819	57,715
Depreciation	11	14,413	17,152
Accounting		11,586	11,512
Amortization of right-of-use assets	10	3,950	8,656
Consulting fees		54,000	119,000
Interest and bank charges		1,700	1,532
Interest on lease liabilities	12	397	482
Write-down of exploration and evaluation assets	8	-	72,089
		<b>(1,128,390)</b>	<b>(1,509,046)</b>
Foreign exchange gain (loss)		30,341	(44,239)
Interest and other income		68,555	46,685
Share of losses related to associate	9	(13,112)	(163,627)
Unrealized gain (loss) on marketable securities	7	265,000	(200,833)
		<b>350,784</b>	<b>(362,014)</b>
<b>Net Loss for the Period</b>		<b>(777,606)</b>	<b>(1,871,060)</b>
Foreign currency translation	9	22,459	(40,666)
<b>Comprehensive Loss for the Period</b>		<b>(755,147)</b>	<b>(1,911,726)</b>
<b>Loss per Common Share - Basic and Diluted</b>		<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>		<b>117,854,678</b>	<b>117,561,717</b>

**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, 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 three months ended March 31, 2022									
Foreign currency translation adjustment	-	-	-	-	-	-	(40,666)	-	(40,666)
Exercise of finders' warrants	16,374	21,068	(7,150)	-	-	-	-	-	13,918
Contribution from associate	-	-	-	(443,145)	-	-	-	-	(443,145)
Share-based payments - stock options	-	-	-	-	631,191	-	-	-	631,191
<b>Balance, March 31, 2022</b>	<b>117,571,345</b>	<b>77,218,446</b>	<b>814,916</b>	<b>5,958,432</b>	<b>9,061,947</b>	<b>4,467,052</b>	<b>(154,340)</b>	<b>(35,747,485)</b>	<b>61,618,968</b>
Balance, December 31, 2022	117,854,678	77,421,353	814,916	7,198,933	7,235,672	7,603,804	291,976	(38,590,626)	61,976,028
Loss for the three months ended, March 31, 2023									
Foreign currency translation adjustment	-	-	-	-	-	-	22,459	-	22,459
Expiry of stock options	-	-	-	-	(1,174,984)	1,174,984	-	-	-
Expiry of finders' warrants	-	-	(269,092)	-	-	269,092	-	-	-
Contribution from associate	-	-	-	(48,982)	-	-	-	-	(48,982)
Share-based payments - stock options	-	-	-	-	253,183	-	-	-	253,183
<b>Balance, March 31, 2023</b>	<b>117,854,678</b>	<b>77,421,353</b>	<b>545,824</b>	<b>7,149,951</b>	<b>6,313,871</b>	<b>9,047,880</b>	<b>314,435</b>	<b>(39,368,232)</b>	<b>61,425,082</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 three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		<b>(777,606)</b>	(1,871,060)
Items not affecting cash:			
Share-based payments	13	<b>560,221</b>	591,772
Unrealized loss (gain) on marketable securities	7	<b>(265,000)</b>	200,833
Share of losses related to associate	9	<b>13,112</b>	163,627
Write-down of exploration and evaluation assets	8	-	72,089
Depreciation	11	<b>14,413</b>	17,152
Amortization of right-of-use asset	10	<b>3,950</b>	8,656
Interest on lease liabilities	12	-	482
Accrued interest income		-	(10,150)
Changes in non-cash operating working capital	14	<b>(208,424)</b>	(258,636)
		<b>(659,334)</b>	(1,085,235)
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditures, net		<b>(850,370)</b>	(1,368,872)
Contribution to associate		<b>(1,169,301)</b>	-
Purchase of property and equipment		<b>(7,470)</b>	(48,716)
Reclamation deposit		<b>(7,196)</b>	-
Short-term investments		<b>2,000,000</b>	(14,000,000)
Proceeds from disposal of assets		-	-
		<b>(34,337)</b>	(15,417,588)
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital - net	13	-	13,918
Repayment of lease liabilities		<b>(4,375)</b>	(10,387)
Interest paid on lease liabilities	12	<b>397</b>	(482)
		<b>(3,978)</b>	3,049
INCREASE (DECREASE) IN CASH		<b>(697,649)</b>	(16,499,774)
CASH, BEGINNING OF PERIOD		<b>6,974,382</b>	20,300,998
CASH, END OF PERIOD		<b>6,276,733</b>	3,801,224
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# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(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 months ended March 31, 2023, were authorized for issuance by the Board of Directors of the Company on May 25, 2023.

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 Minera 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 Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2023 and 2022**

**(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 March 31, 2023, the Company had an accumulated deficit of \$39,368,232 (December 31, 2022 - \$38,590,626). 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.

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

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### 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, 2022. These financial statements have been prepared using the same accounting policies as described in the Company's December 31, 2022 consolidated financial statements.

### 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 December 31, 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 March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>	\$	\$	\$	\$
<b>Cash and cash equivalents</b>	6,276,733	-	-	6,276,733
<b>Marketable securities</b>	5,470,001	-	-	5,470,001
<b>Total financial assets</b>	<b>11,746,734</b>	<b>-</b>	<b>-</b>	<b>11,746,734</b>

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 5. FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	\$	\$	\$	\$
<b>Cash and short term investments</b>	8,974,382	-	-	8,974,382
<b>Marketable securities</b>	5,205,001	-	-	5,205,001
<b>Total financial assets</b>	14,179,383	-	-	14,179,383

As at March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>	\$	\$	\$	\$
<b>Performance share unit liabilities</b>	174,645	-	-	174,645
<b>Deferred share unit liabilities</b>	1,200,063	-	-	1,200,063
<b>Total financial liabilities</b>	1,374,708	-	-	1,374,708

As at December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>	\$	\$	\$	\$
<b>Performance share unit liabilities</b>	43,483	-	-	43,483
<b>Deferred share unit liabilities</b>	1,024,187	-	-	1,024,187
<b>Total financial liabilities</b>	1,067,670	-	-	1,067,670

#### 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.

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

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### 5. FINANCIAL INSTRUMENTS (Continued)

#### *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 March 31, 2023, the Company had cash of \$6,276,733 to settle current liabilities of \$1,381,821. 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.

As at March 31, 2023, the Company held \$nil in short term investments (December 31, 2022 – \$2,000,000). As at March 31, 2023, the carrying value of the Company's short-term investments was \$nil (December 31, 2022 - \$2,000,000).

(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 March 31, 2023.

	<u>US\$</u>	<u>Euro</u>
Cash and deposits	792,147	480,619
Receivables	-	127,287
Trade payables	(8,250)	(174,649)
Net currency exposure	<u>783,897</u>	<u>433,257</u>

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:

	<u>US\$</u>	<u>Euro</u>
	78,390	43,326

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 5. FINANCIAL INSTRUMENTS (Continued)

(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 value of the marketable securities at March 31, 2023, 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 \$547,000 (December 31, 2021 - \$520,500).

### 6. RECEIVABLES

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

	March 31, 2023	December 31, 2022
	\$	\$
Harmonized sales tax receivable	32,094	18,164
Value added tax receivable	112,388	183,193
Accrued interest receivable	38,699	90,458
Receivable from partners	80,775	302
	<u>263,956</u>	<u>292,117</u>

### 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:

	As at March 31, 2023	As at December 31, 2022
	\$	\$
<b>Cost:</b>		
Opening balance	5,036,335	4,709,669
Additions	-	326,666
Ending balance	<u>5,036,335</u>	<u>5,036,335</u>
<b>Fair Value</b>		
Opening balance	5,205,001	5,018,335
Additions	-	326,666
Unrealized loss	265,000	(140,000)
Ending balance	<u>5,470,001</u>	<u>5,205,001</u>

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

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 8. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2023

Property	Balance, Beginning of Year	Additions	Receipts From Partners	Option Recoveries	Properties Written Down	Balance, End of Year
Risti	33,009,022	911,984	-	-	-	33,921,006
Launi	7,477,907	10,308	-	-	-	7,488,215
Sadin	222,778	10,335	(2,316)	-	-	230,797
Lapio	162,790	8,799	-	-	-	171,589
Other	13,941	38,435	(38,435)	-	-	13,941
	<b>40,886,438</b>	<b>979,861</b>	<b>(40,751)</b>	<b>-</b>	<b>-</b>	<b>41,825,548</b>

As at December 31, 2022

Property	Balance, Beginning of Year	Additions	Receipts From Partners	Option Recoveries	Properties Written Down	Balance, End of Year
Risti	27,964,453	5,044,569	-	-	-	33,009,022
Launi	6,918,527	559,379	-	-	-	7,477,906
Sadin	212,801	157,116	(147,139)	-	-	222,778
Lapio	19,815	142,975	-	-	-	162,790
Silasselka	151,227	-	-	(151,227)	-	-
Other	13,941	32,083	(30,005)	-	(2,078)	13,941
	<b>35,280,764</b>	<b>5,936,122</b>	<b>(177,144)</b>	<b>(151,227)</b>	<b>(2,078)</b>	<b>40,886,437</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.

## **AURION RESOURCES LTD.**

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

**For the three months ended March 31, 2023 and 2022**

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

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

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 Fingold Ventures Ltd. (“Fingold”) which holds the Kutuvuoma, Ahvenjarvi, Sore-Eksy, Tepsa and Sinermanpalo properties. B2Gold holds 51% and the Company holds 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.

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 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 November 5, 2021, the Company entered into an option agreement with Kinross Gold Corp (“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 \$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

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

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

operator. Should the Company's interest in the future joint venture be diluted to 10% or less, the Company's interest will be converted to a 2% Net Smelter Returns Royalty ("NSR") 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.

- (d) 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, 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 year ended December 31, 2022.

As at December 31, 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.

- (e) 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 with a fair value of \$152,000 (\$0.76) 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.
- (f) On August 7, 2022, the Company announced that it had agreed with Tertiary Minerals Plc ("Tertiary") to acquire and cancel the pre-production and NSR held by Tertiary on two gold prospects that were purchased from Tertiary pursuant to an agreement 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 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.



## AURION RESOURCES LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

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#### 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 March 31, 2023	As at December 31, 2022
	\$	\$
Current assets	1,076,437	1,039,546
Non-current assets	31,185,605	27,678,808
Current liabilities	132,674	194,909
Loss for the period	43,708	1,559,927
The Company's percent of ownership	30%	30%

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

	As at March 31, 2023	As at December 31, 2022
	\$	\$
Opening balance	8,557,034	3,842,062
Investment in associate	1,121,411	3,979,943
Contribution from associate	(48,982)	797,357
Proportionate share of loss	(13,112)	(467,979)
Proportionate share of foreign currency translation	22,459	405,650
Ending balance	9,638,810	8,557,033

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As of March 31, 2023, the Company is obliged to pay \$771,113 (December 31, 2022- \$819,002) to fund its pro rata share of operating expenditures of the joint venture.

## AURION RESOURCES LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars - unaudited)

#### 10. RIGHT-OF-USE ASSETS

The Company has 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:

	March 31, 2023	December 31, 2022
	\$	\$
ROU assets, opening balance	22,385	28,854
Cancellation of remaining lease term	-	(17,313)
Addition of new lease	-	31,603
Less, depreciation of ROU assets	(3,950)	(20,759)
<b>ROU assets, ending balance</b>	<b>18,435</b>	<b>22,385</b>

#### 11. PROPERTY AND EQUIPMENT

	As at March 31, 2023			As at December 31, 2022		
	Furniture and			Furniture and		
	Computers	Equipment	Total	Computers	Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Cost:</b>						
Opening balance	272,751	343,288	616,039	252,384	268,078	520,462
Additions	3,990	3,480	7,470	20,367	75,210	95,577
<b>Ending balance</b>	<b>276,741</b>	<b>346,768</b>	<b>623,509</b>	<b>272,751</b>	<b>343,288</b>	<b>616,039</b>
<b>Depreciation:</b>						
Opening balance	259,083	243,315	502,398	248,668	180,647	429,315
Additions	2,281	12,132	14,413	10,415	62,668	73,083
<b>Ending balance</b>	<b>261,364</b>	<b>255,447</b>	<b>516,811</b>	<b>259,083</b>	<b>243,315</b>	<b>502,398</b>
<b>Carrying value:</b>						
Opening balance	13,668	99,973	113,641	3,716	87,431	91,147
<b>Ending balance</b>	<b>15,377</b>	<b>91,321</b>	<b>106,698</b>	<b>13,668</b>	<b>99,973</b>	<b>113,641</b>

## AURION RESOURCES LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

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#### 12. LEASE LIABILITES

The continuity for the lease liabilities is as follows:

	March 31, 2023 \$	December 31, 2022 \$
Lease liabilities, opening balance	23,026	34,624
Cancellation of remaining lease term	-	(17,312)
Addition of new lease	-	31,601
Less, lease payments	(4,375)	(28,321)
Interest expense	397	2,434
Lease liabilities, ending balance	19,048	23,026
Less, current portion of lease liabilities	(11,935)	(23,026)
Non-current portion of lease liabilities	7,113	-

#### 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.

There were no common shares issued during the three months ended March 31, 2023.

##### Issued during the year ended December 31, 2022:

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 8, 2022, the Company issued 200,000 common shares with a fair value of \$152,000 pursuant to the terms of a property acquisition agreement (Note 8).

On August 24, 2022, the Company issued 83,333 common shares with a fair value of \$50,000 pursuant to a royalty repurchase agreement (Note 8).

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars - unaudited)

### 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 March 31, 2023.

#### *Deferred Share Units*

The Company has a Deferred Share Unit Plan ("DSU Plan") under which Deferred Share Units ("DSUs") 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. The fair value of DSUs granted will be recorded as a liability, 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:

	<u>March 31, 2023,</u>		<u>December 31, 2022</u>	
	<u>Granted</u>	<u>Vested</u>	<u>Granted</u>	<u>Vested</u>
Opening balance	2,459,914	1,052,107	1,902,619	443,902
Granted	132,812	-	557,264	-
Vested	-	228,081	-	608,205
Adjustment to opening balance	-	-	31	-
<b>Ending balance</b>	<b>2,592,726</b>	<b>1,280,188</b>	<b>2,459,914</b>	<b>1,052,107</b>

During the three months ended March 31, 2023, the Company recognized \$175,876 in share-based payment expense relating to DSUs outstanding with an offset recorded in deferred share unit liability.

As a result of DSUs marked to market at March 31, 2023, the total DSU liability was \$1,200,063 (December 31, 2022 - \$1,024,187).

During the year ended December 31, 2022, the Company recognized a net credit of \$193,026 in share-based payment expense relating to DSUs outstanding with an offset recorded in deferred share unit liability.

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 13. SHAREHOLDERS' EQUITY (Continued)

The following is a summary of DSUs granted to officers, directors and employees for the three months ended March 31, 2023:

<b>Grant date</b>	<b># DSUs granted</b>	<b>Market value*</b>	<b>Vesting details</b>
31-Mar-23	132,812	\$ 0.64	1/3 on each of first, second and third anniversaries of grant
	132,812		

\* Volume weighted average trading price for 5 days prior to grant date used in determination of DSU awards

The following is a summary of DSUs granted to officers, directors and employees for the year ended December 31, 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
31-Dec-22	146,550	\$ 0.58	1/3 on each of first, second and third anniversaries of grant
	557,264		

\* Volume weighted average trading price for 5 days prior to grant date used in determination of DSU awards

#### *Performance Share Units*

The Company has a Performance Share Unit Plan ("PSU Plan") under which Performance Share Units ("PSUs") may be granted to directors, officers, employees, and consultants of the Company. The purpose of the Company's PSU Plan is to advance the interests of the Company by providing a cash bonus to participants in the event of a change of control of the Company. PSUs are redeemable upon a change of control of the Company and will be settled in cash. The fair value of PSUs granted will be recorded as a liability, the value of which on any particular date being equal to the market value of the Company shares.

Changes in PSUs outstanding are as follows:

	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Granted</b>	<b>Vested</b>	<b>Granted</b>	<b>Vested</b>
Opening balance	1,330,000	-	-	-
Granted	-	-	1,330,000	-
Vested	-	-	-	-
Ending balance	1,330,000	-	1,330,000	-

During the three months ended March 31, 2023, the Company recognized \$131,162 in share-based payment expense relating to PSUs outstanding with an offset recorded in performance share unit liability.

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 13. SHAREHOLDERS' EQUITY (Continued)

During the year ended December 31, 2022, the Company recognized \$43,483 in share-based payment expense relating to PSUs outstanding with an offset recorded in performance share unit liability.

As a result of PSUs marked to market at March 31, 2023, the total PSU liability was \$174,645 (December 31, 2022-\$43,483).

There were no PSUs issued during the three months ended March 31, 2023.

The following is a summary of PSUs granted to officers, directors and employees for the year ended December 31, 2022:

Grant date	# PSUs granted	Market value*	Vesting details
28-Nov-22	1,330,000	\$ 0.50	1/3 on each of first, second and third anniversaries of grant
	1,330,000		

\* Volume weighted average trading price for 5 days prior to grant date used in determination of PSU award value

#### *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.

Changes in stock options outstanding are as follows:

	March 31, 2023		December 31, 2022	
	Number	Weighted-Average Exercise Price (\$)	Number	Weighted-Average Exercise Price (\$)
Opening balance,	8,290,000	1.25	7,785,000	1.39
Granted	2,500,000	0.65	2,480,000	1.22
Expired	(1,510,000)	(1.07)	(1,975,000)	1.75
Ending balance	9,280,000	1.12	8,290,000	1.25

## AURION RESOURCES LTD.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

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

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

Exercise Price (\$)	Total Outstanding Options			Total Exercisable Options		
	Number of Outstanding Options	Remaining Contractual Life	Weighted-Average Exercise Price (\$)	Number of Exercisable Options	Remaining Contractual Life	Weighted-Average Exercise Price (\$)
0.50	375,000	4.67	0.50	-	4.67	0.50
0.65	2,500,000	4.90	0.65	-	4.90	0.65
1.35	2,105,000	3.82	1.35	2,105,000	3.82	1.35
0.95	1,965,000	2.94	0.95	1,965,000	2.94	0.95
0.95	50,000	3.19	0.95	50,000	3.19	0.95
1.05	275,000	0.72	1.05	275,000	0.72	1.05
1.38	100,000	2.33	1.38	100,000	2.33	1.38
1.67	300,000	1.65	1.67	300,000	1.65	1.67
1.78	1,510,000	1.44	1.78	1,510,000	1.44	1.78
1.79	100,000	1.68	1.79	100,000	1.68	1.79
	9,280,000	3.37	1.12	6,405,000	2.69	1.33

#### *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 three months ended March 31, 2023, the Company recorded share-based payment expense of \$253,183 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

On February 22, 2023, the Company granted 2,500,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.65 per share until February 22, 2028. The fair value of the stock options granted was estimated at \$0.40 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 2.99%, volatility of 79.49%, 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, 2022, the Company recorded share-based payment expense of \$1,941,668 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%,

# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars - unaudited)

### 13. SHAREHOLDERS' EQUITY (Continued)

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.

On November 28, 2022, the Company granted 375,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.50 per share until November 28, 2027. The fair value of the stock options granted was estimated at \$0.30 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 3.28%, volatility of 85.72%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The options will vest in two tranches, 50% on May 28, 2023, and 50% on November 28, 2023.

#### *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:

	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Number</b>	<b>Weighted-Average Exercise Price (\$)</b>	<b>Number</b>	<b>Weighted-Average Exercise Price (\$)</b>
Opening balance,	<b>1,567,549</b>	<b>0.88</b>	1,583,923	0.88
Exercised	-	-	(16,374)	0.85
Expired	<b>(616,241)</b>	<b>0.85</b>	-	-
Ending balance	<b>951,308</b>	<b>0.90</b>	1,567,549	0.88

The following table summarizes information about warrants outstanding:

<b>Number of Outstanding Warrants</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
951,308	0.90	November 25, 2023



# AURION RESOURCES LTD.

## Notes to the Condensed Consolidated Interim Financial Statements

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### 14. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
<i>Changes in non-cash operating working capital</i>	\$	\$
Change in receivables	28,161	(12,106)
Change in prepaid expenses	(90,579)	(48,617)
Change in trade payables and accrued liabilities	(146,006)	(197,913)
	<u>(208,424)</u>	<u>(258,636)</u>

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
<i>Non-cash investing and financing activities</i>	\$	\$
Contribution from associate (Note 9)	(48,982)	(53,337)
Exploration and evaluation costs remaining in trade payables and accrued liabilities	209,656	350,888
Expiry of stock options	(1,174,984)	-
Expiry of warrants	(269,092)	-

### 15. RELATED PARTY TRANSACTIONS

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

	For the three months ended March 31,	
	2023	2022 *
	\$	\$
Matti Talikka, CEO	192,044	342,279
Mark Serdan, CFO	136,253	179,708
Mark Santarossa, VP Corporate Development	71,584	110,900
Michael Basha, (former President)	-	21,712
Other Directors	153,545	92,339
	<u>553,426</u>	<u>746,938</u>
Amounts expensed as:		
Salary and other short-term benefits for the CEO	50,000	200,000
Salary and other short-term benefits for the CFO	37,500	137,500
Consulting Fees paid to the VP Corp Development	31,500	91,500
Directors' Fees	20,000	20,000
Share-based compensation	414,426	297,938
	<u>553,426</u>	<u>746,938</u>

# **AURION RESOURCES LTD.**

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

**For the three months ended March 31, 2023 and 2022**

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

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

\* Numbers for 2022 have been restated due to an error.

At March 31, 2023, the Company owed the Chairman of the Board, \$189,982 (December 31, 2022 - \$164,795) in accrued expenses for travel, office and other costs that were incurred by the Chairman on behalf of the Company since 2019.

### **16. SUBSEQUENT EVENTS**

On April 12, 2023, the Company announced the completion of a marketed private placement and a non-brokered private placement, for an aggregate of 12,151,730 common shares of the Company at a price of \$0.55 per common share for gross proceeds of \$6,683,451.

Under the marketed private placement, a total of 10,909,090 common shares were issued at a price of \$0.55 for gross proceeds of \$5,999,999. The marketed private placement was led by Red Cloud Securities Inc (“Red Cloud”) on behalf of a syndicate of agents (the ‘Agents’). In consideration for their services, reduced to 3%. Additionally, the Agents received 635,342 broker warrants, such a number equal to 6% of the number of Common Shares issued under the Offering, and other than in respect of select purchasers, the Agents received a cash commission of \$349,438 equal to 6% of the gross proceeds of the marketed private placement, other than in respect to select purchasers, in which case such cash commission was in which case such number of broker warrants was reduced to 3%. The broker warrants are exercisable at a price of \$0.55 per common share for a period of two years from the closing of the marketed private placement. The Company incurred other costs of \$93,400 in cash for total share issuance costs in connection with the brokered private placement of \$442,838.

Under the non-brokered financing, a total of 1,242,640 common shares were issued for gross proceeds of \$683,452. 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.