



AurCrest Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2015

(Expressed in Canadian Dollars)

AURCREST GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of AurCrest Gold Inc. ("AurCrest" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2015. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion, dated May 28, 2015, should be read in conjunction with the Company's condensed interim financial statements as at and for the three months ended March 31, 2015 together with the notes thereto. In addition, the following should be read in conjunction with the audited financial statements for the year ended December 31, 2014, and the related MD&A. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company trades on the TSX Venture Exchange under the symbol "AGO". Further information about the Company and its operations can be obtained from the offices of the Company, the Company website, www.aurcrestgold.com, or from www.sedar.com.

EXECUTIVE SUMMARY

The Company is a mineral exploration company focused on the acquisition, exploration and development of mineral resources, primarily gold and base metals located in northern Ontario. The Company's current focus is the Richardson Lake gold property.

A key initiative undertaken by the Company is its relationship building with the First Nation communities and their role in the future of exploration in Canada. The Company has completed two financings with the Lac Seul First Nation and is represented by a member of the community as Executive Vice-President and a member of the Board of Directors. AurCrest also signed a significant exploration agreement with the Webequie First Nation, the first of its kind in the 'Ring of Fire'. This type of corporate planning is known as the Company's 'SLO' or 'Social License to Operate'. The Company feels it is at the forefront of the important industry relationship developments and is pleased to work with the Lac Seul First Nation, the Webequie First Nation and others.

Richardson Lake is a gold exploration prospect located in the Birch-Uchi belt of the Red Lake mining division in Northwestern Ontario consisting of unpatented mineral claims called the Richardson Lake property totaling approximately 11,000 acres. In late 2011 and into 2012 the Company completed 8 drill holes for a total of 1,613 metres with a new gold discovery in hole RL-12-07. In May 2013, the Company received an exploration permit from the Ministry of Northern Development and Mines to further explore the Richardson Lake gold discovery. The continued exploration of this key asset has recommenced and will continue through 2015.

The Company's mission statement is as follows:

- 1) Create and maintain important relationships with the local indigenous peoples and to share the benefits the industry has to offer through employment and ownership in the Company's efforts. Capitalize on the experience and technical abilities of the Company's management team to effectively explore for gold and/or base metals deposits in Northern Ontario;
- 2) Source and employ the most advanced exploration technologies available;
- 3) Enter into strategic relationships and generate sufficient capital to maintain a continuously high level of exploration and development activity;
- 4) Increase shareholder value by adhering to AurCrest's objectives;

Activities

2015

- On May 6, 2015 the Company announced it was undertaking a non-brokered working capital unit private placement to raise proceeds of up to \$250,000 by offering up to 5,000,000 working capital units of the Company at a price of \$0.05 per Working Capital Unit.
- On May 22, 2015 the Company announced it had entered into agreements to settle an aggregate of \$429,546 of debt in consideration for the issuance of 8,590,914 common shares of the Company at a deemed price of \$0.05 per share. Certain insiders and former insiders have released the Company from debts totalling \$47,258 for no consideration. The debt settlement settles an aggregate of \$476,803 of current liabilities of the Company.

2014

- The Company raised a total of \$798,432 through issuance of working capital units and flow through units with the objective of funding further drilling of the Company's Richardson Lake property gold targets.
- the Company settled \$255,295 of debt in consideration for the issuance of 2,836,618 working capital units.
- A significant new gold discovery was made during of the winter 2012 drill program. Hole RL12-07 returned the following results: 15 metres of 1.83 g/t gold, including 9 metres of 2.95 g/t, including 4 metres of 6 g/t and 3 metres of 7.4 g/t. The highest individual sample within the discovery zone was 1 metre of 11.1 g/t gold. In Late summer through the fall of 2014, the Company continued drilling on this project. Results include RL-14-08 with an average grade of 1.85 g/t Au over 18 metres, including 2.93 g/t Au over 10 metres including 6.0 g/t Au over 4.5 metres, including 7.57 g/t Au over 3.5 meters, and including 10.4 g/t over 2.5 metres. In November the Company completed a follow-up drill program designed to test the area east of the discovery.
- In July 2014 an airborne magnetic survey defined a second interpreted iron formation to the west of the Richardson Lake gold discovery, approximately eight kilometres in length. These formations are collectively what was previously identified as the Jacquie-Girl Iron Formation. The Richardson Lake formation will remain identified as the Jacquie-Girl and the western formation will now be known as the Western Fold.

MINERAL PROPERTIES

Richardson Lake

The Richardson property is situated in the Red Lake Mining Division approximately 115 km northeast of the town of Red Lake. The property is 100% owned by the Company with an underlying NSR royalty of 2%. The property is known to contain 5 areas with gold mineralization or gold mineralization potential. The most significant mineralization occurs at the Discovery zone where the gold is hosted by quartz veins and breccia, which are encompassed by a broad zone of silicification, carbonitization, and sericitization.

The Company owns 100% of 6 claims that make up the Richardson Lake Property originally optioned in 2002/ An additional 2 claims were staked by the Company in early 2010, plus 23 claims staked in early 2011. The total area of the Richardson Lake property is now approximately 11,000 acres. The original 6 claims plus an area of influence around the claims are subject to the Company's obligation to pay a NSR royalty of 2%.

Drilling on the property commenced in late 2011 and continued into March of 2012. AurCrest completed the winter 2011/2012 drilling program on Richardson Lake in March 2012 completing eight NQ drill holes for a total of 1,613 metres. Results from this program included a new gold discovery in hole RL-12-07. Located in a new area of the property, this discovery provides the Company with an entirely new and very promising area to drill. Hole RL-12-07 encountered 15 metres of 1.83 g/t gold, including 9 metres of 2.95 g/t, including 4 metres of 6 g/t and 3 metres of 7.4 g/t. The highest individual sample within the discovery zone was 1 metre of 11.1 g/t gold. In Late summer through the fall of 2014, the Company continued drilling on this project. Results include RL-14-08 with an average grade of 1.85 g/t Au over 18 metres, including 2.93 g/t Au over 10 metres including 6.0 g/t Au over 4.5 metres, including 7.57 g/t Au over 3.5

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meters, and including 10.4 g/t over 2.5 metres. In November the Company completed a follow-up drill program designed to test the area east of the discovery.

Confederation Lake

The Company's Confederation Lake properties, comprising 8 claim groups covering approximately 29,000 acres, were acquired from GlencoreXstrata by incurring exploration expenditures totaling \$3.5 million over four years, including 16,000 metres of diamond drilling. GlencoreXstrata retains a back-in option for a 50% participating interest in any deposit indicated by an independent scoping study to contain at least 8 million tonnes of massive sulphide or one million ounces of gold by expending 150% of AurCrest's expenditures on the property, or cash payment equal to that amount. If the back-in option is exercised, a joint venture will be formed relating to the area (a "Project Area") defined to contain the deposit. Should GlencoreXstrata elect not to exercise its back-in option, GlencoreXstrata will retain a 2% NSR royalty relating to the relevant Project Area. In addition, GlencoreXstrata will receive a one-time cash payment of \$500,000 due upon submission of the first such scoping study with respect to which GlencoreXstrata does not exercise its back-in option and a further sum of \$1.5 million payable upon commercial production from that Project Area. GlencoreXstrata also retains the right to carry out a sole risk exploration drilling program to confirm the contents of an independent scoping study delivered by the Company. The agreement anticipates that there may be more than one Project Area on the property.

On August 14, 2007 the Company announced an updated National Instrument 43-101 ("NI 43-101") compliant technical report titled Garnet Lake Property (also known as the Arrow Zone), Confederation Lake Belt prepared by independent Qualified Person G.S. Carter, P. Eng. of Broad Oak Associates. At a cut-off grade of 3% zinc ("Zn") equivalent, Broad Oak Associates estimated an indicated resource of 2.071 million tonnes plus an inferred resource of 120,552 tonnes as presented in the following table:

Category	Tonnes	Zn (%)	Cu (%)	Au (g/t)	Ag (g/t)
At a 3% zinc equivalent					
Indicated (Plus an average indium value of 34.6 g/t for 19 out of 24 holes intersecting the Arrow Zone.)	2,070,888	5.92	0.75	0.58	21.1
Inferred	120,552	2.60	0.56	0.40	21.5
At a 5% zinc equivalent					
Indicated (Plus an average indium value of 28.7 g/t for 18 out of 23 holes intersecting the Arrow Zone.)	1,762,211	6.75	0.79	0.61	22.3
Inferred	51,631	3.86	0.79	0.58	23.8
At a 10% zinc equivalent					
Indicated (Plus an average indium value of 55.2 g/t for 10 out of 13 holes intersecting the Arrow Zone.)	633,429	14.3	1.11	0.85	31.7

The Mineral Resources are effective as of September 4, 2007.

Resource estimations were based on three chosen cut-off grades of 10%, 5% and 3% Zn equivalent, which is equal to the Zn (wt.%) plus 2.4 Cu (wt.%). (Cut-off grades are calculated using zinc and copper only. No indium grades have been determined for the inferred tonnage as of this date).

Until an economic evaluation is completed, the economic cut-off for this deposit is unknown. Mineral resources that are not mineral reserves do not have demonstrated economic viability. In consultation with Broad Oak Associates, and based upon base metal prices as at August 14, 2007, the Company determined that 3% Zinc was the minimum acceptable cut-off grade to report. The Arrow Zone, using the

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10% Zn equivalent cut-off, has a high-grade centre of indicated resource of 633,429 tonnes at 14.3% Zn, 1.11% Cu, 0.85 g/t Au and 31.7 g/t Ag, separated to date into two pods based on the high-grade intersections.

In June 2010, the Company completed a borehole survey on three holes on the Fredart Lake property, the results have been interpreted and drill targets identified.

McFaulds Lake

The Company currently holds a 100% interest in a group of properties (10,000 acres) within the area known as 'The Ring of Fire' located in the Lower James Bay region of Ontario, in the proximity of McFaulds Lake.

Bridget Lake

On September 16, 2008 (the "effective date"), the Company signed an option agreement with Sendero for the exclusive right for Sendero to earn up to a 75% interest in the Bridget Lake property, comprised of 9 claim units covering approximately 144 hectares, in Ball Township, Red Lake Mining Division, Northwestern Ontario. Sendero earned a 65% interest by incurring \$50,000 in exploration expenses, making cash compensation to the Company totaling \$50,000 and issuing 400,000 common shares of Sendero to the Company. Sendero declined a second option to acquire an additional 10% interest. The Company signed a joint venture agreement whereby Sendero will be operator of the joint venture with Red Lake Gold Mines (a partnership of Goldcorp Inc. and Goldcorp Canada Ltd.) having acquired a 40% interest in Sendero's interest in the Property.

Exploration and evaluation assets

None of the Company's exploration and evaluation assets have reached the development stage and as a result are considered exploration and evaluation assets. The Company capitalizes acquisition costs that result in the acquisition and retention of exploration and evaluation assets or an interest therein and expenses all exploration and evaluation expenditures. The amount shown for exploration and evaluation assets represents acquisition costs to date and does not necessarily reflect present or future values. If the properties are sold, allowed to lapse or are no longer of interest, accumulated capitalized costs are written off.

Expenditures on properties in which the Company does not have a registered or contractual interest are expensed as incurred.

RESULTS OF OPERATIONS

The Company had a net income of \$48,941 or \$0.00 per share for the three months ended March 31, (a net loss of \$22,678 or \$0.00 for the three months ended March 31, 2014).

General and administrative expenses of \$46,476 for the three months ended March 31, 2015 (\$32,359 for the three months ended March 31, 2014) included costs associated with the promotion, financing and regulatory compliance activities of the Company, and overhead of the Company's Toronto administrative facilities, as noted below.

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For the three month period ended March 31	2015	2014
	\$	\$
Professional fees (legal & audit)	8,105	5,830
Office rent	13,560	11,445
Regulatory and filing fees	6,180	6,034
Consulting and management fees	6,500	4,400
Travel	4,409	256
Directors fees	-	3,000
Insurance	2,160	-
Shareholder communications, advertising and promotion	1,324	305
Office costs	4,238	1,089
	46,476	32,359

During the three months ended March 31, 2015, exploration and project evaluation expenses totaled \$1,778 (\$768 for the three months ended March 31, 2014).

The Company wrote off \$89,494 of trade and other payables during the three months ending March 31, 2015.

EXPLORATION EXPENDITURES

Mineral property acquisition cost

Property acquisition cost

	Balance at December 31, 2014	Additions	Balance at March 31, 2015
	\$	\$	\$
Richardson Lake	60,200	-	60,200
Confederation Lake	10,250	-	10,250
Amount capitalized	70,450	-	70,450

	Balance at December 31, 2013	Additions	Balance at December 31, 2014
	\$	\$	\$
Richardson Lake	60,200	-	60,200
Confederation Lake	10,250	-	10,250
Amount capitalized	70,450	-	70,450

Exploration & project evaluation

	Cumulative expenditures as at December 31, 2014	Expenditures	Cumulative expenditures as at March 31, 2015
	\$	\$	\$
Richardson Lake	2,186,757	1,778	2,188,535
Confederation Lake	10,435,071	-	10,435,071
Other	4,330,636	-	4,330,636
Amount expended	16,952,464	-	16,954,242

"Other" includes exploration expenditures on projects with minor activity during the period and includes the Bridget Lake, McFaulds Lake and the Fredart Lake properties, all of which are in Northern Ontario.

Note: As disclosed in the Company's significant accounting policies (Note 2) exploration and project evaluation expenditure have been reflected in the statement of loss and comprehensive loss.

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SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	March 31 2015 \$	December 31 2014 \$	September 30 2014 \$	June 30 2014 \$
Net income (loss) for the period	48,941	(469,329)	(352,950)	(202,973)
Net loss per share (basic and diluted)	0.00	0.01	0.01	0.00

	March 31 2014 \$	December 31 2013 \$	September 30 2013 \$	June 30 2013 \$
Net (loss) for the period	(22,678)	(4,013)	(29,759)	(66,976)
Net loss per share (basic and diluted)	0.00	0.00	0.00	0.00

The variations in net loss between quarters are generally due to timing of the Company's exploration activities.

The gain recognized for the three month period ended March 31, 2015 was the result of writing off trade and other payables.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. AurCrest had a working capital deficit of \$742,866 (a working capital deficit of \$791,807 as at December 31, 2014), and has incurred losses since inception resulting in an accumulated operating deficit of \$22,006,441. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is substantial doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern.

On May 22, 2015 the Company entered into agreements to settle an aggregate of \$429,546 of debt owed to certain insiders of the Company and other parties (including former insiders) in consideration for the issuance of 8,590,914 common shares of the Company at a deemed price of \$0.05 per share. Certain insiders and former insiders have released the Company from debts totalling \$47,258 for no consideration. The debt settlement settles an aggregate of \$476,803 of current liabilities of the Company significantly improving the working capital deficit.

FINANCIAL INSTRUMENTS

The carrying amount of financial instruments approximates fair value. The Company's financial assets include cash, cash equivalents, and accounts receivable. The Company does not consider these assets to be subject to credit risk or interest rate risk.

SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at March 31, 2015, the Company had no preference shares issued and outstanding.

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Share capital

Share capital comprises the following:

	Number of shares	Amount \$
Balance, January 1, 2014	42,513,147	16,873,275
Private placements	16,488,633	798,432
Shares issued for debt settlement	2,836,618	255,296
Private placements - compensation options	-	(19,448)
Private placements - compensation warrants	-	(11,752)
Warrant term extension	-	(9,100)
Balance, December 31, 2014, March 31 and May 28, 2015	61,838,398	17,886,703

The Company completed the following equity financing transactions during the previous year.

Type	Date	Units		Warrants (** compensation options)			
		#	Price \$	Proceeds \$	#	Price \$	Expiry date
During the year ended December 31, 2014							
Flow-through units	April 25	1,300,000	0.05	65,000	1,300,000	0.05	April 25, 2019
Working capital units	April 25	1,300,000	0.05	65,000	1,300,000	0.05	April 25, 2019
Working capital units	May 26	500,000	0.05	25,000	500,000	0.05	May 26, 2019
Working capital units	July 7	4,240,000	0.05	212,000	4,240,000	0.055	July 7, 2019
Working capital units	August 5	200,000	0.05	10,000	200,000	0.055	August 5, 2019
Working capital units	August 11	500,000	0.05	25,000	500,000	0.055	August 11, 2019
Working capital units	August 15	1,060,000	0.05	53,000	1,060,000	0.055	August 15, 2019
Debt settlement units	August 19	2,836,618	0.09	255,295	2,836,618	0.12	August 19, 2017
Working capital units	October 14	666,785	0.05	33,339	666,785	0.055	October 14, 2019
Working capital units	October 23	450,000	0.05	22,500	450,000	0.055	October 23, 2019
Working capital units	November 13	451,848	0.05	22,592	451,848	0.055	November 13, 2019
*Flow-through units	November 14	5,200,000	0.05	260,000	2,600,000	0.055	November 14, 2019
**Compensation units	November 14	520,000	0.05	26,000	**520,000	**0.05	November 14, 2017
Working capital units	November 14	100,000	0.05	5,000	100,000	0.055	November 14, 2019

* Each warrant entitling the holder to acquire a further common share at a price of \$0.055 until the earlier of: November 14, 2019, and in the event that the closing price of the common shares on the TSX-V is at least \$0.15 for twenty (20) consecutive trading days, and the 20th trading day (the "Final Trading Day") is at least four months from November 14, 2014, the date which is thirty days from the Final Trading Day.

** A finder's fee consisting of the issuance of 520,000 common shares of the Company, nominally valued at \$0.05 per share, and 520,000 Compensation Options exercisable for a period of two years from closing at \$0.05 per Compensation Option was paid in respect of the issuance. Each Compensation Option entitles the finder to acquire one common share and one-half a Warrant.

Stock options

As at March 31, 2015, 3,520,000 common shares were reserved for the exercise of common stock options ("options") granted to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). All common stock options issued to date under the Plan are fully vested.

On August 13, 2014, the Company granted 2,170,000 common stock options ("options") to 5 directors, 1 director/officer, 2 officers, 3 consultants and 1 Investor Relations ("IR") consultant. Each option entitles the holder to purchase one common share of the Company at a price of \$0.10 per common share over a period of 5 years.

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The options vested immediately, except for 200,000 options granted to the IR consultant which vested as follows: 50,000 upon grant date and an additional 50,000 on November 13, 2014. The balance of the options did not vest due to the passing of the consultant with the 100,000 vested options now expiring on June 11, 2015. The options have a Black-Scholes valuation of \$0.05 per option calculated using a risk free rate of 1.52% and an annualized weekly volatility of 141%.

On September 28, 2014, 1,800,000 common stock options, with an exercise price of \$0.50, expired unexercised.

On October 23, 2014, 200,000 common stock options, with an exercise price of \$0.18, expired unexercised.

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price \$
Outstanding, January 1, 2013	2,930,000	0.33
Expired	(100,000)	0.20
Outstanding, December 31, 2013	2,830,000	0.33
Granted	2,170,000	0.10
Expired	(1,180,000)	0.50
Expired	(200,000)	0.18
Expired	(100,000)	0.10
Outstanding, December 31, 2014 and March 31, 2015	3,520,000	0.15
Expired	(200,000)	0.30
Outstanding, May 28, 2015	3,320,000	0.14
Options exercisable, December 31, 2014 and March 31, 2015	3,520,000	0.15
Options exercisable, May 28, 2015	3,320,000	0.14

The following table sets out the details of the common stock options granted and outstanding as at March 31, 2015:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
200,000	200,000	0.25 years	\$0.30	April 1, 2015
100,000	100,000	0.44 years	\$0.10	June 11, 2015
1,250,000	1,250,000	1.55 years	\$0.20	July 18, 2016
1,970,000	2,070,000	4.63 years	\$0.10	August 13, 2019
3,520,000	3,520,000			

The following table sets out the details of the common stock options granted and outstanding as at May 28, 2015:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
100,000	100,000	0.04 years	\$0.10	June 11, 2015
1,250,000	1,250,000	1.14 years	\$0.20	July 18, 2016
1,970,000	2,070,000	4.23 years	\$0.10	August 13, 2019
3,320,000	3,320,000			

The weighted average fair value of the options granted and vested during the year ended December 31,

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2014 was \$0.05 per option; the fair value was estimated using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 1.08% to 2.12%, expected dividend yield of nil, average expected volatility from 141% to 154%, and expected life term of two to five years.

Warrants

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

	Warrants #	Weighted average exercise price \$
Outstanding, January 1, 2013	9,393,815	0.26
Issued	100,000	0.15
Expired	(6,214,865)	0.29
Outstanding, December 31, 2013	3,278,950	0.26
Issued – private placements	16,205,251	0.06
Issued – compensation options	520,000	0.05
Issued – compensation warrants	260,000	0.055
Outstanding, December 31, 2014	20,264,201	0.10
Expired	(78,950)	0.60
Outstanding, March 31 and May 28, 2015	20,185,251	0.09

On December 16, 2014, the term of 3,100,000 warrants expiring December 21, 2014 and 100,000 warrants expiring January 21, 2015 were extended one year, expiring on December 21, 2015 and January 21, 2016 respectively.

On February 11, 2015, 78,950 warrants, with an exercise price of \$0.60, expired unexercised.

The composition of the outstanding warrants as at March 31 and May 28, 2015 consists of the following:

	Expiry date	Number	Price range
Warrants	December 21, 2015	3,100,000	\$0.25
Warrants	January 21, 2016	100,000	\$0.25
Warrants	August 19 2017	2,836,618	\$0.12
Warrants	April 25, 2019	2,600,000	\$0.05
Warrants	May 26 2019	500,000	\$0.05
Warrants	July 7, 2019	4,240,000	\$0.055
Warrants	August 5, 2019	200,000	\$0.055
Warrants	August 11, 2015	500,000	\$0.055
Warrants	August 15, 2019	1,060,000	\$0.055
Warrants	October 14, 2019	666,785	\$0.05
Warrants	October 23, 2019	450,000	\$0.055
Warrants	November 13, 2019	451,848	\$0.055
Warrants	November 14, 2015	2,600,000	\$0.055
Warrants	November 14, 2019	100,000	\$0.055
Warrants – compensation options	November 14, 2016	520,000	\$0.05
Warrants – compensation warrants	November 14, 2019	260,000	\$0.055
		20,185,251	

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Fully diluted share capital

As of March 31, 2015 the Company has issued 61,838,398 common shares, 3,520,000 common share stock options, 19,484,201 common share purchase warrants and 780,000 compensation units. The number of common shares outstanding, on a fully-diluted basis is 85,543,649.

As of May 28, 2015 the Company has issued 61,838,398 common shares, 3,320,000 common share stock options, 19,484,201 common share purchase warrants and 780,000 compensation units. The number of common shares outstanding, on a fully-diluted basis is 85,343,649.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT REMUNERATION

Compensation of key management and directors

Key management compensation expenses includes the Chief Executive Officer, the Chief Financial Officer, the Vice-President, Exploration, the Vice-President, Corporate Development (resigned April 30, 2013) and the Vice-President, Shareholder Relations (on leave as of June 1, 2014). Share-based compensation includes key management and directors.

For the three month period ended March 31	2015	2014
	\$	\$
Management fees	6,500	4,400
Legal fees provided by a law firm related to William Johnstone	3,105	675
Directors fees	-	3,000
Share based compensation	-	-
	9,605	8,075

Balances owing as at	March 31	December 31
	2015	2014
	\$	\$
Management fees	242,085	237,085
Legal fees provided by a law firm related to William Johnstone	186,823	183,718
Directors fees	56,000	56,000
	484,905	476,803

These amounts were expensed in the period incurred as administrative and general expenses, except for the services of the Vice-President, Exploration, which are treated as exploration expenses. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

During the year ended December 31, 2014, a company related to Ian Brodie-Brown rented office space from the Company, resulting in a rent expense recovery of \$36,361 (\$80,254 for the year ended December 31, 2013). As at December 31, 2014, a balance of \$10,036 was due to the Company in relation to the rent recovery.

On May 22, 2015 the Company announced it had entered into agreements to settle an aggregate of \$429,546 of debt owed to certain insiders of the Company and other parties (including former insiders) in consideration for the issuance of 8,590,914 common shares of the Company at a deemed price of \$0.05 per share. Certain insiders and former insiders have released the Company from debts totalling \$47,258 for no consideration. The debt settlement settles an aggregate of \$476,803 of current liabilities of the Company.

COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Company has one contractual lease obligation related to its corporate premises that requires a minimum total lease payment for basic rent of \$62,635 until July, 2017. The following table illustrates the

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remaining yearly minimum lease compensation:

	\$
2015	20,133
2016	26,843
2017	15,659
	<hr/> 62,635 <hr/>

In accordance with an exploration agreement signed on February 4, 2010, the Company is committed to contribute 1.5% of all funds expended by the Company on its mining claims in the proximity of McFaulds Lake, Lower James Bay region of Ontario, as a contribution to a Community Sustainability Fund.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC became effective January 1, 2013 and were adopted by the Company on that date. The adoption of these accounting policies had no effect on the Company. These pronouncements are detailed in the audited financial statements for the year ended December 31, 2014.

RISK FACTORS

Given the Company's current status as an exploration stage company, there are numerous risk factors that could affect the Company's business prospects and future performance and are detailed in the audited financial statements and managements discussion and analysis for the year ended December 31, 2014. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

OUTLOOK

AurCrest is focused on its 100% owned Richardson Lake property. With the current gold price and the prospects for Richardson Lake, it is Management's view that focusing on this significant gold asset is in the best interest of its shareholders. The Company's staking activity in late 2010 and early 2011 has increased the local land holdings to 11,000 acres. AurCrest completed a field program in 2012 which included 1,613 metres of drilling with a new gold discovery in hole RL-12-07. Having received an exploration permit in 2013, allowing for the company to drill up to 6,000 metres, Aurcrest raised the capital necessary to complete 1,957.5 metres in 4 drill holes during the summer & autumn drill season of 2014. The Company also completed 511 line kilometres of airborne magnetic survey to compliment the drill work and begin exploring areas to the west.

During 2012, the Company announced that a significant new discovery was made in the final hole of the winter 2012 drill program. Hole RL12-07 returned the following results: 15 metres of 1.83 g/t gold, including 9 metres of 2.95 g/t, including 4 metres of 6 g/t and 3 metres of 7.4 g/t. The highest individual sample within the discovery zone was 1 metre of 11.1 g/t gold. The 2014 drill program was established to follow up on this discovery and to try and define the continuation of this promising gold strike. Drill hole RL-14-08 drilled to a depth of 448.5 metres, succeed in hitting a gold bearing zone 140 metres south of the discovery in RL-12-07, and with remarkably consistent grades. RL-14-08 encountered 18 metres of 1.85 grams gold, including 10 metres of 2.93, 4.5 metres of 6 grams, 3.5 of 7.57, 2.5 metres of 10.4 grams, and one metre of 15 grams.

This follow-up drill hole confirms the promising new discovery made in 2012. The Company intends to

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complete further follow up drilling in this area when it is able to raise additional financing to complete a meaningful program, now that the discovery has been extended and enhanced significantly. The next phase of drilling will help to further establish this discovery, and we will endeavor to finance a meaning full drill program to begin outlining this new gold discovery, confirmed by the 2014 drill program.

The current capital markets for junior exploration companies is considered very depressed. It is Management's view that gold as a commodity will continue in the long term to do extremely well, and due to the Company's decision to switch focus to this metal, and the persistence and perseverance of our team, we now have a discovery to market in the coming months and look forward to further quality drill results from the Richardson Lake Property. Management has been working hard to raise the money and is optimistic that the overall market will recognize this 'discovery' and finance this opportunity moving forward.

On May 22, 2015 the Company announced that it had entered into agreements to settle an aggregate of \$429,546 of debt owed to certain insiders of the Company and other parties (including former insiders) in consideration for the issuance of 8,590,914 common shares of the Company at a deemed price of \$0.05 per share. Certain insiders and former insiders have released the Company from debts totalling \$47,258 for no consideration. The debt settlement settles an aggregate of \$476,803 of current liabilities of the Company. After giving effect to debt settlement the current liabilities as of March 31, 2015 were reduced from \$776,544 to \$299,741.

Lac Seul First Nation, Cyr Drilling and AurCrest developed a unique training relationship to provide for drilling in the spring and summer of 2014. Cyr Drilling and Lac Seul trained community members on the program toward qualifying under the common core handlers training program.

Christopher Angecone of the Lac Seul First Nation, having been on our Board since 2011, has accepted the position of Executive Vice-President and will likely assume the role as President in the near future, helping to further implement our exploration and discovery of gold at Richardson Lake in the traditional lands shared primarily by the Lac Seul, Cat Lake, and Slate Falls First Nations.

Trevor Boyd, P.Geol., a qualified person as defined by National Instrument 43-101, has reviewed and approved the technical information contained in this MD&A.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.