



AurCrest Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2019

(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 and nine months ended September 30, 2019. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion, dated November 28, 2019, should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and the audited annual consolidated financial statements for the years ended December 31, 2018 and 2017, together with the notes thereto. 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 or from www.sedar.com.

EXECUTIVE SUMMARY

AurCrest is an Ontario-based mineral exploration company focused on the acquisition, exploration and development of mineral resources. The Company holds several gold and base metal properties in Northern Ontario in the Birch-Uchi greenstone belt and Ring of Fire areas, with the Company's prime area of focus being the Richardson Lake gold exploration prospect in the Red Lake Mining District. The Company has actively engaged and involved local First Nations communities in advancing exploration projects to date, and will continue to develop indigenous inclusion and participation with the Company's exploration activities and corporate development.

The mission statement of the Company 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;
- 2) Capitalize on the experience and technical abilities of the Company's management team to effectively explore for gold and associated metals deposits in Northwestern Ontario;
- 3) Source and employ the most advanced exploration technologies available;
- 4) Enter into strategic relationships and generate sufficient capital to maintain a continuously high level of exploration and development activity; and
- 5) Increase shareholder value by adhering to AurCrest's objectives.

The Richardson Lake area properties are the focus of exploration for the Company, representing a significant contiguous land holding in the Birch-Uchi belt, and internally referred to as the *Richardson Lake* and *Western Fold* prospects:

- *Richardson Lake* is a gold exploration prospect consisting of ten unpatented legacy mineral claims totaling approximately 1,700 hectares. In late 2011 and into 2012 the Company completed eight drill holes for a total of 1,613 metres with a new gold discovery in hole RL-12-07. The Company completed an airborne magnetic survey of the property in July 2014, identifying a second target formation on the property. In late summer through fall 2014, the Company completed four drill holes for a total of 1,975 metres as part of an Aboriginal training program, and a further short exploratory program in November 2014 east of the discovery.
- *Western Fold* is a gold exploration prospect, contiguous to the Richardson Lake property, consisting, at conversion to online map staking, of twelve unpatented legacy mineral claims totaling approximately 2,300 hectares. The property was also surveyed by the 2014 airborne magnetic survey program, identifying several targets of interest.

AURCREST GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

Ranger Lake is a gold exploration prospect consisting of 50 unpatented mineral cell claims totalling approximately 1,000 hectares, located in the Red Lake Mining District, staked by the Company in September 2018 based upon the prior experience of one of the Company's Directors.

The Company also holds 100% interest in the McFauld's Lake property in the Ring of Fire area, holds 100% interest in a group of properties in the Confederation Lake and Fredart Lake areas of the Red Lake Mining District that are presently under an option agreement, and retains a 35% interest in the Bridget Lake property in the Red Lake Mining District.

A key initiative continued by the Company is its relationship-building with the First Nation communities and supporting the growth of their role in the future of exploration in Canada. AurCrest implements an "inclusion and participation" approach to consultation with First Nations potentially affected by Company activities, and is at the forefront of the important industry relationship developments necessary to support continued exploration:

- The Company has completed two financings with the Lac Seul First Nation and is represented by a member of the community as President & CEO of the Company, as President of Wiigwaasaatig Energy Inc. ("WEI"), and as a member of the Board of Directors.
- The Company signed a significant exploration agreement with the Webequie First Nation with respect to the McFauld's Lake property, which was the first of its kind in Ontario's 'Ring of Fire'.
- In November 2017 the Company announced the signing of a letter of intent with the Cat Lake First Nation ("CLFN") to allow the Company to stake certain mineral exploration properties located within the CLFN traditional territory.
- In December 2017 the Company announced the signing of a similar letter of intent with Lac Seul First Nation ("LSFN") to allow the Company to stake certain mineral exploration properties within the LSFN traditional territory. These transactions are subject to due diligence, corporate and TSX-V approvals

The Company has formed WEI as a subsidiary, which is mandated to establish renewable energy business structures as partnerships with First Nation communities and the mineral exploration and development industry proximal to those First Nations. This Corporate Social Responsibility energy initiative is intended to:

- i) reduce the diesel dependency for electrical generation in remote First Nations and mineral development sites,
- ii) provide an economic base contributor for First Nations involved in the WEI partnerships, and
- iii) develop supplier-consumer relationships with mineral developments proximal to First Nations communities.

WEI is an Aboriginally-driven corporation, with First Nations representation and direction at both management and Board levels. WEI has focused its activities on the Richardson Lake area and partnership developments with the First Nations proximal to the Company's Richardson Lake property in support of ongoing exploration advancement efforts.

- The Company, through WEI, entered into a Letter of Intent with Cat Lake First Nation (the "Cat Lake LOI") in 2016 for mutual collaboration to investigate the feasibility of and develop up to a 40MW renewable energy project at Cat Lake (the "Project"). The Project is expected to incorporate a phased blend of wind, solar, geothermal and biomass technologies, capable of energizing community needs and mineral exploration and development sites proximal to Cat Lake. WEI signed an extension to the LOI with Cat Lake First Nation in 2017 to continue Project development, with a significant focus on biomass generation.

AURCREST GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Company entered into a Technical Consulting Agreement with Maple Energy and Mining Inc. ("Maple Energy") to provide technical and advisory services to WEI with regards to the Project.
- WEI has formed a strategic relationship with MOBISMArt Mobile Off-Grid Power & Storage Inc. ("MobiSmart") to investigate and deploy combined-technology renewable energy generation systems intended to provide stable electrical production in remote areas. This relationship continues to investigate First Nations partnership opportunities for this strategic relationship.

ACTIVITIES

2019

- In September, the Company completed a \$50,000 working capital financing.
- On August 19, 2019, the Company announced that a Carbon Development & Marketing Agreement ("**CDMA**") had been signed between the Company and Blue Source Canada ULC ("**Bluesource**"). The CDMA sets forth the terms and conditions by which the Company and Bluesource will collaborate to develop forest carbon sequestration opportunities on behalf of First Nations pursuing their inherent stewardship role both on reserve and within their traditional territories. Three groups – Lac Seul First Nation, located in Northwestern Ontario, AurCrest and Bluesource – will work together to assess the potential of forests to capture and sequester carbon dioxide within the First Nation's traditional territory (the "**Project**") for the development of Greenhouse Gas ("**GHG**") offsets and other potential environmental attributes, and to explore the monetization of these offsets and attributes for the benefit of the First Nation and its business partners. Bluesource has prepared for AurCrest and the First Nation an initial carbon assessment of the potential for development of carbon offsets relating to the Project at its expense. The carbon assessment analyses the feasibility of a forest carbon offset project for the purpose of supporting a decision by the First Nation to pursue the opportunity.
- In April 2019, the Company completed a \$60,000 working capital financing.
- The Company received notice that Lac Seul First Nation enacted a Band Council Resolution supporting the joint investigation with the Company of the forest carbon sequestration opportunities in the Lac Seul First Nation's traditional territory.
- The Company signed a Letter of Intent with Bluesource. The Letter of Intent outlined the joint investigation of the forest carbon sequestration opportunities in the Lac Seul First Nation's traditional territory in Northwestern Ontario. Bluesource is the leading carbon offset developer in North America.

2018

- In December 2018, the Company completed a \$5,000 working capital financing.
- In September 2018, the Company completed a \$22,500 working capital financing.
- In May 2018, the Company completed a \$77,500 working capital financing.
- The Company signed an agreement to acquire the 2% Net Smelter Returns Royalty on the Company's Richardson Lake Property in consideration for the payment of \$50,000. The Company paid \$20,750; the agreement expired at the end of December 2018.
- The Company received approval of its Richardson Lake 2018-19 Project exploration plan (PL-18-10898) from Ontario's Ministry of Northern Development and Mines, for 6,000 m of drilling and 15,000 m of line-cutting and ground-based IP survey.
- The Company, through WEI, formed a strategic partnership with MobiSmart to participate in a multiyear renewable energy generation project and had received letters of support from CLFN and LSFN; the project did not receive grant funding through the oversubscribed federal program, and therefore did not advance.
- The Company received its second option payment of 1,000,000 common shares of Pistol Bay Mining Inc. (TSX-V:PST) ("Pistol Bay") and \$50,000 cash related to the Confederation Lake property (see below).

MINERAL PROPERTIES

Richardson Lake area properties (Richardson Lake & Western Fold)

The Richardson Lake area properties are situated in the Red Lake Mining Division approximately 100 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 five areas with gold mineralization or gold mineralization potential. The most significant mineralization tested by the Company to date occurs at the Discovery zone at the westernmost bay of Richardson Lake where the gold is hosted by quartz veins and breccia, which are encompassed by a broad zone of silicification, carbonization, and sericitization. The Company owns 100% of six claims that make up the Richardson Lake Property originally optioned in 2002. An additional two claims were staked by the Company in early 2010, plus 23 claims staked in early 2011. The original six claims plus an area of influence around the claims, comprising 6 staked claims, are subject to the Company's obligation to pay a NSR royalty of 2% to a third party.

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 metres, and including 10.4 g/t over 2.5 metres. In November 2014 the Company completed a follow-up drill program designed to test the area east of the discovery. The Company allowed several claims to expire in 2016, choosing to maintain 22 legacy claims with significant exploration targets in good standing.

The Company has chosen to define these contiguous mineral claim units as two separate properties. The **Richardson Lake Property** consists of ten mineral claim units totaling approximately 1,700 hectares, including the six claims originally optioned by the Company and four claims affected by the area of influence bearing an underlying 2% NSR royalty to a third party. The **Western Fold Property** consisted, at conversion, of twelve mineral claim units totaling approximately 2,300 hectares staked by the Company.

Confederation Lake

The Company's Confederation Lake properties, originally comprising eight claim groups covering approximately 11,700 hectares, 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.

The Confederation Lake properties are currently subject to a Definitive Option Agreement with Pistol Bay for 108 mining claims with a total of 321 claim units with an area of 5,136 hectares, being the Confederation Lake Property and the Fredart Lake Property. Effective January 12, 2018, Pistol Bay can

**AURCREST GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

acquire 100% interest in the subject properties by paying AurCrest an aggregate of \$250,000 and issuing an aggregate of 5,000,000 common shares over four years with an initial payment of \$25,000 and the issuance of 1,000,000 common shares on closing (paid), the payment of a further \$25,000 within 90 days following closing (paid) and the payment of \$50,000 and the issuance of 1,000,000 common shares on each of the four anniversaries following closing. Each of the AurCrest properties is subject to a 2% net smelter returns royalty in favour of third parties.

McFaulds Lake

The Company currently holds a 100% interest in a group of properties (4,000 hectares) 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

The Bridget Lake property comprises nine pre-conversion claim units covering approximately 356 acres and is situated in Ball Township, Red Lake Mining Division, Northwestern Ontario. On September 16, 2008 (the "effective date"), the Company signed an option agreement with Sendero Mining Corp. ("Sendero", formerly Halo Resources Ltd.), under which Sendero earned a 65% interest in the property. In 2014 Sendero sold its 65% interest in the property to Goldcorp. Goldcorp has been making the \$10,000 annual pre-royalty payment required to keep the property in good standing.

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.

SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	September 30 2019	June 30 2019	March 31 2019	December 31 2018
	\$	\$	\$	\$
Net income (loss) for the period	(93,092)	(62,707)	(1,937)	(100,252)
Net income (loss) per share (basic and diluted)	0.00	0.00	0.00	0.00
	September 30 2018	June 30 2018	March 31 2018	December 31 2017
	\$	\$	\$	\$
Net income (loss) for the period	(94,561)	(85,503)	6,497	(91,088)
Net income (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, including the receipt of property option payments.

**AURCREST GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net loss for the three months ended September 30, 2019 and 2018 is a result of general and administrative costs, other costs less receipt of property option payment.

RESULTS OF OPERATIONS

The Company's net loss for the three months ended September 30, 2019 was \$93,092 or \$0.00 per share (net loss of \$94,561 or \$0.00 for the three months ended September 30, 2018).

General and administrative expenses of \$64,496 for the three months ended September 30, 2019 (\$54,230 for the three months ended September 30, 2018) and \$177,085 for the nine months ended September 30, 2019 (\$213,278 for the nine months ended September 30, 2018) included costs associated with the promotion, financing and regulatory compliance activities of the Company, and the Company's overhead, as noted below.

For the nine months ended September 30	2019 \$	2018 \$
Consulting and management fees	88,500	89,500
Professional fees (legal & audit)	54,496	52,377
Shareholder communications, advertising and promotion	22,666	26,959
Regulatory and filing fees	7,192	21,316
Office costs	4,231	23,126
	177,085	213,278

EXPLORATION EXPENDITURES

Property acquisition cost

The property acquisition costs of \$62,700 relate to the acquisition of the Company's Richardson Lake property.

Exploration & project evaluation

	Cumulative expenditures as at January 1 2019 \$	Expenditures for the period \$	Cumulative expenditures as at September 30 2019 \$
Richardson Lake	2,257,923	8,439	2,266,362
Confederation Lake	10,252,259	(55,000)	10,207,259
Other	4,341,319	-	4,341,319
Amount expensed	16,851,501	(46,561)	16,814,940

	Cumulative expenditures as at January 1 2018 \$	Expenditures for the period \$	Cumulative expenditures as at December 31 2018 \$
Richardson Lake	2,227,173	30,750	2,257,923
Confederation Lake	10,352,259	(100,000)	10,252,259
Other	4,341,319	-	4,341,319
Amount expensed	16,920,751	(69,250)	16,851,501

"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.

**AURCREST GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019 and November 28, 2019, 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. As at September 30, 2019, AurCrest had a working capital deficit of \$902,425 (a working capital deficit of \$851,139 as at December 31, 2018), and has an accumulated operating deficit of \$19,677,515. During the nine months ended September 30, 2019, the Company received 1 million common shares and \$10,000 in cash from Pistol Bay and closed a private placement for gross proceeds of \$110,000. 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.

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 June 30, 2019, the Company had no preference shares issued and outstanding.

Share capital

Share capital comprises the following:

	Number of shares	Amount \$
Balance, December 31, 2017	76,374,191	18,579,824
Private placement	2,156,000	107,800
Share issue expense	-	(2,800)
Balance, December 31, 2018	78,530,191	18,684,824
Private placements	2,200,000	110,000
Balance, September 30, 2019	80,730,191	18,791,194

Stock options

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price \$
Outstanding, December 31, 2017	2,320,000	0.09
Expired	(200,000)	0.10
Outstanding and exercisable, December 31, 2018	2,120,000	0.09
Expired	(2,120,000)	0.05
Outstanding and exercisable, September 30, 2019 and November 28, 2019	-	-

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:

Weighted average

**AURCREST GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	Warrants #	exercise price \$
Outstanding, December 31, 2017	21,233,512	0.05
Issued – private placement	2,156,000	0.075
Expired	(2,100,000)	0.05
Outstanding, December 31, 2018	22,289,512	0.054
Issued – private placement	2,280,000	0.074
Expired	(9,100,000)	0.05
Balance, September 30, 2019	15,469,512	0.054
Expired	4,268,633	0.055
Balance, November 28, 2019	11,200,879	0.055

On October 14, October 23, November 13 and November 14, 2019, a total of 4,268,633 warrants expired unexercised.

Fully diluted share capital

As of September 30, 2019 the Company has issued 80,730,191 common shares, Nil common share stock options and 15,469,512 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis is 96,199,703.

As of November 28, 2019 the Company has issued 80,730,191 common shares, nil common share stock options and 11,200,879 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis is 91,931,070.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT REMUNERATION

Compensation of key management and directors

Key management compensation expense includes the Chief Executive Officer, the Executive Vice-President, the Chief Financial Officer. Share-based compensation includes key management and directors.

For the nine months ended September 30	2019 \$	2018 \$
Management fees	88,500	88,500
Legal fees charged by a law firm related to William Johnstone	46,496	40,277
Interest expense	3,300	-
	138,296	128,877

Balances owing as at	September 30 2019 \$	December 31 2018 \$
Legal fees charged by a law firm related to William Johnstone	363,939	306,892
Management fees	200,959	164,459
Directors loans	26,418	29,837
Accrued interest on directors' loans	12,863	6,263
	604,179	507,451

These amounts were expensed in the period incurred as administrative and general expenses. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

Directors of the Company have loaned the Company working capital in the amount of \$26,418. The loans are in the form of demand promissory notes bearing interest at 10% per annum.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

On October 14, October 23, November 13 and November 14, 2019, a total of 4,268,633 warrants expired unexercised.

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 consolidated financial statements and management's discussion and analysis for the year ended December 31, 2018. 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 Gold Inc. is focused on its 100%-owned Richardson Lake area mineral claims, which include the contiguous Richardson Lake and Western Fold Properties; with the current gold price and the prospects for the Richardson Lake area properties, it is management's view that focusing on these significant gold assets is in the best interest of its shareholders. AurCrest continues to grow its model of partnership and inclusion with neighbouring First Nations and indigenous communities, and believes that this ongoing focus will enhance exploration success; the Company's subsidiary Wiigwaasaatig Energy Inc., through the development of business structures and infrastructure in partnership with First Nations proximal to the Company's mineral claim properties, is uniquely positioned to assist in the creation of an economic base for those First Nations and grow the infrastructure necessary to advance future mineral exploration and development activities. This unique approach to developing innovative opportunities with the Company's neighbouring First Nations has also produced a working relationship with Blue Source Canada ULC ("**Bluesource**") that will potentially create further partnership opportunities with those First Nations in developing carbon sequestration opportunities, providing a new economic driver for the partner First Nations and providing further Company shareholder value.

The Company has received ministry approval for the "Richardson Lake 2018-19 Project" exploration plan involving up to 6,000 metres of drilling and 15,000 metres of linecutting for geophysics at the Richardson Lake Property and the Western Fold Property, viewed by management to be the resumption of exploration activities on the area mineral claims. This new near-term exploration program will help to further understanding of the promising new gold discovery made in 2012 at the Richardson Lake Property and additional target areas identified at the Western Fold Property. The 2012 field program at the Richardson Lake Property included 1,613 metres of drilling, with a new gold discovery in hole RL-12-07. This hole returned assay results of 15.0 metres of 1.83 g/t Au, including 9.0 metres of 2.95 g/t, including 4.0 metres of 6.00 g/t and 3.0 metres of 7.40 g/t; the highest individual sample within the discovery zone was 1.0 metres of 11.1 g/t Au. The Company followed up on this discovery with a field program in 2014 that included 1,957.5 metres of drilling on the Richardson Lake Property, and 511 line kilometres of an airborne magnetic survey flown over the Western Fold Property. The 2014 drilling program attempted to define continuation of the 2012 discovery, and succeeded in hitting a remarkably consistent gold-bearing zone 140 metres south of hole RL-12-07, with hole RL-14-08 returning assay results of 18.0 metres of 1.85 g/t Au, including 10.0 metres of 2.93 g/t, including 4.5 metres of 6.00 g/t, including 3.5 metres of 7.57 g/t, including 2.5 metres of 10.4 g/t and 1.0 metre of 15.0 g/t Au. The airborne magnetic survey identified several iron formation targets for future exploration across the Western Fold Property.

The Richardson Lake Property, which hosts the "Jacquie-Girl Iron Formation" and Discovery Holes RL-12-07 and RL-14-08, is comprised of ten unpatented mineral legacy claims totalling approximately 1,700

AURCREST GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

hectares, including four unpatented mineral legacy claims staked by the Company in 2010/11 and six unpatented mineral legacy claims optioned 100% from the prospector Perry V. English. The six claims earned through option plus an area of influence around said claims are subject to the Company's obligation to pay a net smelter returns royalty of 2%. The Western Fold Property, which hosts the "Western Fold Formation", was staked by the Company in 2010/11 and is comprised of 12 unpatented mineral legacy claims totalling approximately 2,300 hectares.

Christopher Angecone of the Lac Seul First Nation, having first joined the Board of Directors in 2011 and performing the role of President & CEO since March 2017, has helped to further implement the Company's exploration of and discovery of gold at the Richardson Lake area in the traditional lands shared primarily by the Cat Lake, Slate Falls, and Lac Seul First Nations. Mr. Angecone has been joined on the Board by Alexander Carpenter in May 2018 and Stan Beardy in March 2019; Mr. Carpenter, also a member of the Lac Seul First Nation, has a wealth of knowledge and experience in the mining industry, and Mr. Beardy, a member of the Muskrat Dam First Nation, has served during the course of his career as the Chief of Muskrat Dam First Nation, as the Grand Chief of the Nishnawbe-Aski Nation, and as the Ontario Regional Chief as the head of the Chiefs of Ontario at the national level. AurCrest fully intends to apply the wisdom and experiences of these individuals into our model of inclusion and participation for the mutual benefit of our shareholders and the communities proximal to our mineral exploration areas. The growth of a positive relationship with the local communities has resulted in two First Nation staking agreements intended to relate the traditional territory knowledge of the local populace to the acquisition and development of new mineral exploration prospects. The Company's subsidiary Wiigwaasaatig was formed to deploy and operate site-specific renewable energy technology solutions through business partnerships with First Nations communities and the mineral exploration and development industry proximal to those First Nations; the range of renewables opportunities being studied and advanced by Wiigwaasaatig through partnerships include wind, solar, biomass, and hydroelectric opportunities.

AurCrest has also grown the positive relationship with our neighbouring First Nations into the development of potentially-significant carbon sequestration projects across the traditional territories of several First Nations in the Boreal Forest, monetizing long-term carbon sequestration opportunities through carbon offset credit trading for the mutual benefit of the First Nations partnership groups and the Company's shareholders. On August 19, 2019, the Company announced that a Carbon Development & Marketing Agreement ("**CDMA**") had been signed between the Company and Bluesource. The CDMA sets forth the terms and conditions by which the Company and Bluesource will collaborate to develop forest carbon sequestration opportunities on behalf of First Nations pursuing their inherent stewardship role both on reserve and within their traditional territories. Three groups – Lac Seul First Nation, located in Northwestern Ontario, AurCrest and Bluesource – will work together to assess the potential of forests to capture and sequester carbon dioxide within the First Nation's traditional territory (the "**Project**") for the development of Greenhouse Gas ("**GHG**") offsets and other potential environmental attributes, and to explore the monetization of these offsets and attributes for the benefit of the First Nation and its business partners. Bluesource has prepared for AurCrest and the First Nation an initial carbon assessment of the potential for development of carbon offsets relating to the Project at its expense. The carbon assessment analyses the feasibility of a forest carbon offset project for the purpose of supporting a decision by the First Nation to pursue the opportunity.

AurCrest continues to strengthen its relationships with the local communities and believes that this ongoing focus will enhance future exploration success. These valued relationships and the proper access to mineral exploration opportunities are integral to the Company's success, and above all, and form the most important part of our business endeavours.

Blaine Webster, P.Geol., a consultant to the Company and 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.