AurCrest Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021
(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 year ended December 31, 2021 as compared to the year ended December 31, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion, dated March 2, 2022, should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, 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 at the Company's website at www.aurcrest.ca or from www.sedar.com.

EXECUTIVE SUMMARY

AurCrest is an Ontario-based natural resources development company focused on the advancement of indigenous partnerships in the spirit of the 92nd Call To Action of the Truth and Reconciliation Commission's Final Report. The Company has established two subsidiary corporations to accommodate natural resource economic growth opportunities. The Company benefits from the inclusion of indigenous perspectives to holistic resource development at the management and Board levels, including a majority indigenous composition on the Board.

Big Tree Carbon Corp. ("BTCC"), as a subsidiary corporation, is focused on the development of long-term greenhouse gas Emissions Reduction Benefits ("ERBs") in partnership with First Nations and indigenous groups, primarily through the development of forestry-based carbon sequestration projects.

Wiigwaasaatig Energy Inc. ("WEI"), as a subsidiary corporation, is focused on the development of renewable energy in partnership with First Nations and indigenous groups, through the development of local renewable energy infrastructure projects and the deployment of innovative renewable energy technologies.

AurCrest Gold Inc., as the parent publicly-listed corporation, operates as a mineral exploration company focused on the acquisition, exploration, and development of mineral resources. 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 overall corporate development.

The mission statement of the Company, applicable to the parent company and subsidiary corporations, 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.

AurCrest Gold Inc.

AurCrest holds several mineral exploration properties in the Red Lake and Birch-Uchi metamorphic belts, on which the Company is focusing its exploration activities:

- The ***Ranger Lake Gold Property*** consists of 236 mineral cell claims totaling approximately 4,790 hectares, held 100% by the Company with no underlying royalty to third parties. The property lies in the Ranger and Little Otter Lake mining townships, partly within the Municipality of Red Lake, and is located approximately 10 kilometres east of the Red Lake and Campbell mining complex.

  The Company is currently permitted to conduct exploration activities on the property, including diamond drilling. With the assistance of Windfall Geotek's ("Windfall") CARDS AI ("AI") system and Activation Laboratories ("ActLabs") spatiotemporal geochemical hydrocarbon ("SGH") geochemical modelling, in 2021 the Company completed and announced the results of its initial diamond drilling program. Work has continued while the Company interprets information gathered from this first drill program, including SGH soil sampling surveys completed on further targets, and completion of a drone-supported magnetometry survey. Field work is ongoing.

- The ***Richardson Lake Gold Property*** consists of 123 mineral boundary and single cell claims totaling approximately 2,220 hectares, held 100% by the Company with no underlying royalty to third parties. The property lies in the Casummit Lake Area and Brownstone Lake Area mining townships, approximately 8 kilometres from the Springpole gold deposit and adjacent to the past-producing Argosy Mine.

  The Company has completed several exploration programs on the property, including gold discoveries from drilling programs in 2012 and 2014. The Company has completed an SGH soil sampling program on the western shore of Richardson Lake, with results pending.

- The ***Richardson North Extension Gold Property*** consists of 50 mineral cell claims in the Brownstone Lake Area mining township totaling approximately 1,010 hectares, held 100% by the Company with no underlying royalty to third parties, and contiguous to the Richardson Lake Gold Property.

- The ***Dancing Man Gold Property*** consists of 654 mineral cell claims totaling approximately 13,280 hectares, held 100% by the Company with no underlying royalties to third parties. The property lies in the Joyce River Area, South of the Otter Lake, Gerry Lake, and Knott mining townships, spanning approximately 36 kilometres east to west.

The Company also retains an interest in several non-core mineral claim assets across Northwestern Ontario:

- The *Western Fold Gold Property* was an exploration prospect for the Company, contiguous to the Richardson Lake Gold Property, consisting of 110 mineral cell claims totaling approximately 2,170 hectares in the Brownstone Lake Area and Casummit Lake Area mining townships. The property was subject to an option agreement with Newrange Gold Corp. ("Newrange" and the "Newrange Option") for the property. Newrange completed the exercise of the Newrange Option on December 23, 2021; the 110 mineral cell claims transferred to Newrange are subject to a 2% net smelter return royalty, of which 1% may be acquired by Newrange at any time for a $1,000,000 cash payment to the Company, and further subject to a 2-kilomentre Area of Influence for future mineral cell claims staked by Newrange. These cells form a part of Newrange's "Birch North Property".

- The Company holds a 100% interest in the *McFauld's Lake* base metals property in the Ring of Fire area.

- The Company retains a 35% interest in the *Bridget Lake* property in the Red Lake Mining District. The Bridget Lake property's 65% interest is held by Evolution Gold Mining Operations Ltd.

Big Tree Carbon Corp.

Big Tree Carbon Corp. is involved with the development of long-term greenhouse gas emissions reduction benefits ("ERBs") through sequestration of carbon dioxide by implementing improved forest management techniques (the "Forest Carbon Model") and other potential environmental attributes in the traditional territories of the Company's partner First Nations.

The Company is working with the Lac Seul First Nation ("LSFN") and Blue Source Canada ULC ("Bluesource") to develop an ERB project for the LSFN reserve lands and investigate similar opportunities within the LSFN traditional territory.

The Company has most recently begun working with the Agoke Development Limited Partnership ("ADLP"), a corporation owned by the Eabametoong, Aroland, and Marten Falls First Nations, to develop an ERB project for the Ogoki Forest within the traditional territories of the ADLP-owner First Nations.

The Company continues to promote the Forest Carbon Model to other First Nations on a more regional scale, including First Nations located in other provincial jurisdictions.

Wiigwaasaatig Energy Inc.

Wiigwaasaatig Energy Inc. is mandated to establish renewable energy business partnerships with First Nations and the mineral exploration/development industry proximal to those First Nations. WEI is intended to reduce diesel dependency for electrical generation in remote First Nations and mineral development sites, provide an economic base contributor for partner First Nations, and develop supplier-consumer relationships with mineral developments proximal to First Nations communities.

WEI continues to work with Cat Lake First Nation ("CLFN") to investigate and develop up to 40 MW of renewable energy in the CLFN traditional territory, including a phased blend of wind, solar, geothermal and biomass technologies.

WEI continues to promote innovative energy generation partnerships on a more regional scale, including First Nations located in other provincial jurisdictions.

ACTIVITIES

2021 Calendar Year

- On December 23, 2021, Newrange made their required payment of $100,000 and 500,000 common shares of Newrange to fully exercise their option to the *Western Fold Gold Property*.
- During the late fall of 2021, the Company completed a drone-borne magnetometry program at the *Ranger Lake Gold Property*, providing flight line coverage over both SGH survey zones previously surveyed by the Company.
- In November 2021, the Company announced the signing of an ERB management agreement ("ERBMA") with ADLP for the realization of carbon credit value potential of 974,000 hectares of the Ogoki Forest (located in Northern Ontario).
- During the early fall of 2021, the Company completed an SGH and mobile metal ion ("MMI") soil sampling program at the western shore of Richardson Lake, west of the 2012 and 2014 gold discoveries, to further refine the Company's understanding of the *Richardson Lake Gold Property's* potential gold mineralization; the results of the MMI survey is pending.
- During the late summer of 2021, the Company completed an SGH soil sampling program east of the AI target zone at the *Ranger Lake Gold Property* to investigate a historic exploration target identified in the early 1980s by others but with limited subsequent exploration work.

- During the summer of 2021, the Company completed a 9-hole, 1,683 metre drill program at the *Ranger Lake Gold Property*, with results announced by the Company on November 15, 2021.
- During the summer of 2021, the Company completed an SGH soil sampling program at Ranger Lake across the balance of the AI target, with results received in October 2021 indicating that all the lead indicators used to test for gold anomalies were present in the samples received.
- The Company further expanded the *Ranger Lake Gold Property* by staking 86 new mineral cell claims in February 2021 and 28 new claim cells in May 2021, for a total of 236 cells.
- In April 2021, the Company staked the *Dancing Man Gold Property* located 20 km east of the Ranger Lake drilling project and extends Company holdings a further 20 km east to adjoin the "Golden Sidewalk" district of the Birch-Uchi metamorphic belt. Preliminary field exploration began in the summer of 2021.
- The Company incorporated Big Tree Carbon Corporation ("BTCC") in April 2021 as a subsidiary corporation, to hold and conduct the business of forest carbon offset monetization with the Company's First Nations partner groups.
- The Company issued $1,136,500 flow-through units at a price $0.30 with a full warrant at $0.40 expiring in March 2023 to finance and initiate a preliminary drill program and grass roots prospecting at the *Ranger Lake Gold Property* and other exploration activities at the Company's main property groupings.
- In February 2021, the Company received the ActLabs SGH analysis of the 2020 *Ranger Lake Gold Property* soil sampling program which indicated that all the lead indicators used to test for gold anomalies were present in the samples received.

<u>2020 Calendar Year</u>

- On December 23, 2020, Newrange made their required payment of $70,000 and 350,000 common shares of Newrange keeping the Newrange Option in good standing.
- In December AurCrest completed a $700,000 working capital private placement at $0.06 with a half warrant at $0.10 good for two years.
- On December 8, 2020, the Company acquired the underlying royalty on the *Richardson Lake Gold Property* from the prospector Perry English by paying $60,000, including transfer of title of all cells in the MLAS registry 100% to AurCrest.
- The Company conducted a preliminary SGH geochemistry sampling program on the *Ranger Lake Gold Property* during November 2020.
- The Company acquired the CARDS AI data modelling dataset from Windfall for the *Ranger Lake Gold Property*, which has indicated three areas of high priority for further exploration work.
- The Company staked an additional 27 mineral cell claims to expand the *Ranger Lake Gold Property* in September 2020.
- The Company staked the 50 mineral cell claims comprising the *Richardson North Extension Gold Property* in August 2020.
- The Company staked the 50 mineral cell claims contiguous to the *Ranger Lake Gold Property* in June 2020.
- On May 15, 2020, the Company signed a Purchase Agreement and a Gross Revenue Royalty Agreement with Star Royalties Ltd. ("Star Royalties") to sell a 16% gross revenues royalty (the "Royalty") to Star Royalties. The Company was paid $155,000 by Star Royalties pursuant to the Purchase Agreement whereby Star Royalties acquired the right to the Royalty on all funds received by the Company arising from the monetization of carbon offsets derived from forest-based GHG emission sequestration opportunities developed within the Lac Seul Reserve Project. The Royalty is governed by a Gross Revenue Royalty Agreement which also contemplates a right of first refusal for Star Royalties to acquire an interest in AurCrest's annual revenue share from any carbon sequestration project within the overall Lac Seul Forest management unit.
- On May 11, 2020, the Company signed a multi-partner Adoption Agreement (the "Adoption Agreement") between the Company, LSFN and Bluesource to develop a forest carbon project on the forested lands on the Lac Seul reserve northwest of Sioux Lookout, Ontario.
- On January 24, 2020, the Company accepted an accelerated exercise of option schedule with Pegasus Resources Inc. ("Pegasus") (formerly Pistol Bay Mining Inc.) for the Confederation Lake

and Fredart Lake properties. Pegasus paid a final cash payment of $50,000 to the Company and issued a final share issuance of 2 million common shares of Pegasus.

- On January 17, 2020 the Company acquired 100% of a 5-cell multicell mineral claim with no underlying royalty from the prospector Perry English by paying $600, contiguous to the *Richardson Lake Gold Property*.

MINERAL PROPERTIES

Ranger Lake Gold Property

The *Ranger Lake Gold Property* is an exploration prospect that originally consisted of 50 mineral cell claims totaling approximately 1,010 hectares staked by the Company in October 2018, located approximately 10 kilometres due east of the Red Lake and Campbell Gold Mines in the world-famous Red Lake mining district. The Company acquired a further 50 claim cell units by staking adjacent and contiguous to the original property in June 2020, and staked 27 additional mineral cell claims in September 2020. The Company staked further sets of 31 and 50 mineral cell claims on February 12, 2021 and February 16, 2021 respectively. The Company staked 28 mineral cell claims on May 18, 2021. The combined acquisition of these claims brings AurCrest's holdings in the area to a total of 236 claim cell units encompassing approximately 4,790 hectares.

The Company acquired the AI data modelling in September 2020, which identified three gold targets in the AI coverage area on the western portion of property; the CARDS coverage was not available for the eastern portion of the property at the time of acquisition. The Company completed an SGH soil geochemistry sampling program in November 2020 indicating several gold signature returns and identified a potential gold redox zone. The Company has completed an initial diamond drilling program testing on several of these targets in May/June 2021, completing nine NQ drill holes for a total of 1,683 metres. Drilling identified sulfide mineralization in eight of the nine holes in what is presently interpreted as a sheared low-grade silver-sulfide trend. The highest silver value reported is 57.6 g/t Ag over 1 metre (Hole RAL21-001CC) and Ag values reported from other hole intersects were less than 3 g/t.

The Company completed a subsequent SGH soil sampling program in July 2021 to the northwest of and contiguous to the original sampling area. The Company also completed a separate SGH soil sampling program to the east of the AI target areas in August 2021, and in November 2021 completed a UAV-borne magnetometry survey program over the combined SGH soil sampling areas. Additional field programs are being planned for 2022.

Richardson Lake Area Gold Properties

The *Richardson Lake Area Gold Properties* are situated in the Red Lake Mining Division approximately 100 kilometres northeast of the Municipality of Red Lake within the Birch-Uchi greenstone belt. The reserve lands of the Cat Lake and Slate Falls First Nations are approximately 30 and 50 kilometres from the area property boundary, respectively. The overall area property is 100% owned by the Company, and as of December 8, 2020 the property has no underlying royalty to any third party. The area property includes the *Richardson Lake Gold Property* and the *Richardson North Extension Gold Property*.

The Company owns 100% of six legacy claims originally optioned in 2002 which, together with four Company legacy claims, form the *Richardson Lake Gold Property*. The property consisted of 123 single and boundary mineral cell claim units issued at conversion to map staking, expanded by the company through the acquisition of a 5-cell multicell mineral claim unit in January 2020 with no underlying NSR to the vendor; the *Richardson Lake Gold Property* is approximately 2,220 hectares in size. The *Richardson North Extension Gold Property* is a greenfield exploration prospect for the Company, consisting of 50 mineral cell claim units totaling approximately 1,010 hectares contiguous to the *Richardson Lake Gold Property*.

The *Richardson Lake Gold 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.

Drilling on the property commenced in late 2011 and continued into March of 2012. The Company 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 meters, and including 10.4 g/t over 2.5 metres.

Field work is being planned for 2022 on both the *Richardson Lake Gold Property* and the *Richardson North Extension Gold Property*.

Dancing Man Gold Property

The *Dancing Man Gold Property* consists of 654 mineral cell claims totaling approximately 13,280 hectares, held 100% by the Company with no underlying royalties to third parties, staked on April 30, 2021. The property lies in the Joyce River Area, South of the Otter Lake and Gerry Lake Area, and Knott mining townships, spanning approximately 36 kilometres east to west. Field work is being planned for 2022 on the *Dancing Man Gold Property*.

Non-Core Assets

McFaulds Lake

The Company currently holds a 100% interest in a group of properties (450 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 Company holds a 35% interest in 144 hectares at Bridget Lake in Ball Township, Red Lake Mining Division. The 65% balance of interest in the Bridget Lake property is currently held by Evolution Mining Gold Operations Ltd.

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.

SELECTED ANNUAL INFORMATION

Year ended December 31	**2021** **$**	2020 $	2019 $
Net loss for the year	**2,124,469**	406,528	198,769
Cash flow used in operating activities	**(1,890,899)**	(94,060)	(135,852)
Cash flow from (used in) investing activities	**(410,150)**	(35,600)	28,200
Cash flow from financing activities	**1,899,840**	776,287	127,710
Total assets (1)	**996,657**	941,504	105,876
Loss per share (basic and diluted)	**0.02**	0.01	0.00

(1) As at December 31

SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	December 31 2021	September 30 2021	June 30 2021	March 31 2021
	$	$	$	$
Net income (loss) for the period	(239,674)	(292,309)	(1,498,230)	(94,256)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.02)	(0.00)

	December 31 2020	September 30 2020	June 30 2020	March 31 2020
	$	$	$	$
Net income (loss) for the period	(89,136)	(426,443)	150,773	(41,722)
Net income (loss) per share (basic and diluted)	(0.00)	(0.01)	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. During the year ended December 31, 2021, the Company incurred $1,199,102 (2020 – recovery of $130,649) in exploration expenditures and granted 1,950,000 stock options resulting in share-based compensation of $445,575 for the period. During the year ended December 31, 2020, the Company granted 8,000,000 stock options resulting in share-based compensation of $390,400 for the period.

RESULTS OF OPERATIONS

The Company's net loss for the year ended December 31, 2021 was $2,124,469 or $0.02 per share (net loss of $406,528 or $0.01 per share for the year ended December 31, 2020). The largest portion of the change year over year was that 2021 included $1,199,102 in exploration expenditures compared to a recovery of same of $130,649 in 2020 an increase in the amount of $1,329,743. Net loss in the period results from exploration expenditures of $1,199,102, share based compensation of $445,575 and general and administrative expense of $510,266. The other significant change was an increase in share-based compensation in 2021 compared to 2020 in the amount of $55,175 due to the fact more options were granted in 2021.

General and administrative expenses of $510,266 for the year ended December 31, 2021, 2021 ($264,173 for the year endedDecember 31, 2020) included costs associated with the promotion, financing and regulatory compliance activities of the Company, and the Company's overhead, as noted below.

For the years ended December 31	**2021**	2020
	$	$
Consulting and management fees	**266,000**	130,000
Professional fees (legal & audit)	**98,184**	79,789
Shareholder communications, advertising and promotion	**92,076**	30,014
Regulatory and filing fees	**27,707**	20,268
Office costs	**26,299**	4,102
	510,266	264,173

The Company's net loss for the three months ended December 31, 2021 was $239,674 or $0.00 per share (net loss of $89,136 or $0.01 per share for the three months ended December 31, 2020). Net loss in the period results from exploration and project evaluation expenditures of $81,129 and general and administrative expense of $150,399, unrealized loss on marketable securities of $60,380, offset by the write-off of accounts payable of $58,474.

EXPLORATION EXPENDITURES

Property acquisition cost

The property acquisition costs of $12,750 at December 31, 2019 relate to the acquisition of the Company's Western Fold property. During the year ended December 31, 2020 the Company acquired additional mineral claims at Richardson Lake and Ranger Lake and purchased the NSR at Richardson Lake. In 2021, the Company acquired additional mineral claims creating a new project called Dancing Man.

	$
Balance, December 31, 2019	**12,750**
Property acquisition	6,950
Royalty acquisition	60,000
Property option payments	(13,350)
Balance, December 31, 2020	**66,350**
Property acquisition	**38,150**
Balance, December 31, 2021	**104,500**

Exploration & project evaluation

	Cumulative expenditures as at January 1 2021 $	Expenditures/ receipts for the period $	**Cumulative expenditures as at December 31 2021** **$**
Ranger Lake	**76,759**	1,336,602	**1,413,361**
Richardson Lake	**2,117,454**	(137,500)	**1,979,954**
Other	**14,435,428**	-	**14,435,428**
Amount expensed	**16,629,641**	1,199,102	**17,828,743**

"Other" includes exploration expenditures on projects with minor activity during the period and includes the Confederation Lake, 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.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021 and March 2, 2022, 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 December 31, 2021, AurCrest had a working capital deficit of $360,740 (a working capital deficit of $249,536 as at December 31, 2020), and has an accumulated operating deficit of $22,249,545. During the year ended December 31, 2021, the Company completed a flow-through financing for gross proceeds of $1,136,500 and had warrants and stock options exercised for $779,266 and $70,000 respectively. For the year ended December 31, 2020, the Company completed a working capital financing of $700,000, received $50,000 from the exercise of warrants, received 2 million common shares and $50,000 in cash from Pegasus, 350,000 common shares and $70,000 cash from Newrange and $155,000 in cash from Star Royalties related to its GHG Project. 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. If the going concern assumption is not appropriate, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

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 December 31, 2021, the Company had no preference shares issued and outstanding.

Share capital

Share capital comprises the following:

	Number of shares	Amount $
Balance, December 31, 2019	**80,730,191**	**18,827,996**
Private placement	11,666,667	700,000
Share issue expense	-	(128,550)
Common shares issued for exploration and evaluation expenditures	300,000	18,000
Exercise of warrants	1,000,000	50,000
Expiry of warrants	-	784
Balance, December 31, 2020	**93,696,858**	**19,468,230**
Private placement	3,788,333	1,136,500
Share issuance costs	-	(145,814)
Exercise of warrants	10,371,332	860,646
Exercise of stock options	1,400,000	138,320
Common shares issued for exploration expenditures	400,000	78,000
Balance, December 31, 2021	**109,656,523**	**21,535,882**
Exercise of warrants	1,000,000	50,000
Exercise of stock options	250,000	12,500
Balance, March 2, 2022	**110,906,523**	**21,598,382**

Stock options

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price $
Outstanding and exercisable, December 31, 2019	**-**	**-**
Granted	8,000,000	0.05
Outstanding and exercisable, December 31, 2020	**8,000,000**	**0.05**
Exercised	(1,400,000)	(0.05)
Granted	1,950,000	0.24
Outstanding and exercisable, December 31, 2021	**8,550,000**	**0.09**
Exercised	(250,000)	0.05
Outstanding and exercisable, March 2, 2022	**8,300,000**	**0.09**

On April 7, 2021, the Company granted 1,950,000 stock options at an exercise price of $0.24 per share exercisable for a period of 5 years.

On July 29, 2020, The Company granted 8,000,000 stock options at an exercise price of $0.05 per share exercisable for a period of 5 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 $
Balance, December 31, 2019	**11,200,879**	**0.055**
Issued – private placement	7,583,331	0.10
Exercised	(1,000,000)	0.05
Expired	(1,804,879)	0.05
Balance, December 31, 2020	**15,979,331**	**0.081**
Issued – private placement	4,535,999	0.039
Exercised	(10,371,332)	0.077
Expired	(28,000)	0.075
Balance, December 31, 2021	**10,115,998**	**0.22**
Exercised	(1,000,000)	0.05
Balance, March 2, 2022	**9,115,998**	**0.24**

Fully diluted share capital
As of December 31, 2021, the Company had issued 109,656,523 common shares, 8,550,000 common share stock options and 10,115,998 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis is 128,322,521. As of March 2, 2022, the Company had issued 110,906,523 common shares, 8,300,000 common share stock options and 9,115,998 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis is 128,322,521.

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.

For the year ended December 31	**2021** **$**	2020 $
Management fees	**266,000**	118,000
Legal fees provided by a law firm related to William Johnstone	**80,184**	63,789
Share-based compensation	**342,750**	268,400
	688,934	450,189

Balances owing as at December 31	**2021** **$**	2020 $
Legal fees provided by a law firm related to William Johnstone	**365,200**	440,433
Management fees	**161,913**	219,389
Directors' loans	**9,520**	16,019
Accrued interest on directors' loans	**-**	10,213
	536,633	686,054

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 $9,520. 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 January 18, 2022, 1,000,000 warrants were exercised at a price of $0.05 for proceeds of $50,000.

On January 4, 2022, 250,000 stock option were exercised at a price of $0.05 for proceeds of $12,500.

On January 18, 2022 and February 18, 2022 $84,000 and $83,000 was advanced to ADLP as promissory notes with the same terms as noted above.

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, 2021. 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.

Effects of COVID-19

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures was expected to be temporary, the current circumstances remain dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2022. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested that its employees and consultants work remotely wherever possible. These government measures, which could include renewed government-mandated closures of the Company or its contractors, along with restrictions on access which may be imposed by First Nations communities associated with the Company's properties in response to COVID-19, may continue to impact the Company's ability to access its exploration properties and conduct its exploration programs and business in a timely manner. The Company continues to evaluate the best way to move its exploration and other business activities forward during this pandemic and when any subsequent emergency measures are lifted.

OUTLOOK

AurCrest Gold Inc. acknowledges that the onset of the COVID-19 pandemic in 2020 and its continued effects through 2022 have given rise to serious financing and logistical implications to exploration projects on an industry-wide scale, including governmental response for exploration plans and permits. The Company further acknowledges that regional and local responses to successive waves of the pandemic may continue to be a factor throughout 2022. Regardless, the exploration and delineation of prospects on the Company's early-stage exploration properties have proven to be possible within a pandemic-restricted environment, through the use of innovative applications of technology that provides guidance to more traditional exploration activities, and through adherence to public health measures enacted by the provincial government with respect to operation of essential workplaces. The project development for AurCrest's subsidiary companies has also proven to be possible within a pandemic-restricted environment, largely through the use of remote meeting technologies.

AurCrest and its subsidiary companies BTCC and WEI have and will continue to work diligently to grow its model of partnership and inclusion with neighbouring First Nations and Indigenous communities and believes that this ongoing focus will enhance overall Company success. Three of the five Directors of

AurCrest are members of First Nations in Northwestern Ontario, giving the Company a uniquely Indigenous approach to natural resource development in Canada. AurCrest applies 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 and carbon sequestration project footprints.

It is management's view that further exploration and delineation of the prospects at the *Ranger Lake Gold Property* is in the best interests of shareholders, building upon 2021 drilling activities and conducting further prospecting, geochemistry, and magnetometry to provide further guidance to drilling programs at other prospects in 2022 and beyond. The evaluation of results from the initial drill program is ongoing and the mineralized system as encountered through drilling and outlined by geophysics and geochemistry appear to be significant and to warrant continued investigation.

Concurrently, the application of innovative technological approaches utilized at Ranger Lake will be applied to the *Richardson Lake Area Gold Properties* and the *Dancing Man Gold Property* to advance the geological understanding of the structures at both properties and their potential as exploration targets in the coming months. The Company continues to view the recent gold pricing and observed sector activity as supportive of its near-term exploration goals.

AurCrest and BTCC have grown the positive relationship with our neighbouring First Nations into the development of potentially-significant carbon sequestration projects and other environmental attributes across the traditional territories of several First Nations in the Boreal Forest, to monetize 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. AurCrest and BTCC have continued to educate potential First Nations partners to the Forest Carbon Model and will advance the Lac Seul project, Agoke project, and other projects as the federal and provincial governments finalize the protocols governing ERB projects.

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

Greg Davison, P.Geo., 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.