

AUQ GOLD MINING INC.

(formerly Royal Gold Mining Inc.)

Management's Discussion and Analysis

**Three Month Period Ended
May 31, 2022**

(Expressed in Canadian Dollars)

Report Date – July 28, 2022

AUQ GOLD MINING INC. (formerly Royal Gold Mining Inc.)**For the three month period ended May 31, 2021****Management's Discussion and Analysis**

This Management's Discussion and Analysis ("MD&A") of financial position and results of operations is prepared as at July 28, 2022. This MD&A should be read in conjunction with the Company's condensed interim financial statements for the three month period ended May 31, 2022 and the audited consolidated financial statements and related notes for the year ended February 28, 2022 which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All figures in this MD&A are expressed in Canadian Dollars unless otherwise noted. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Overview

The Company is incorporated under the Company Act of British Columbia, and extra-provincially registered in the Northwest Territories. Its principal activities are the exploration of resource properties. The Company has interests in a gold property in the Province of Quebec and the Yukon Territory. The Company's properties are currently at the "exploration stage". At this time the Company has no production from its mineral interests.

Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years.

	2022	2021	2020
	\$	\$	\$
Total revenue	—	—	—
Net loss for the year	(186,105)	(301,164)	(348,031)
Basic and diluted loss per share	(0.01)	(0.02)	(0.05)
Total assets	1,392,967	1,388,475	704,275
Non-current financial liabilities	226,658	226,658	-

Results of Operations***Results of Operations for the three month period ended May 31, 2022:***

The Company incurred a net loss of \$32,381 for the three month period ended May 31, 2022 compared to a net loss of \$64,225 for the three month period ended May 31, 2021. The decrease was due primarily to consulting fees of \$45,422 in 2022 versus \$15,000 in 2021 and decreased professional fees from \$10,000 in 2021 versus \$Nil in 2022.

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Summary of Quarterly Results

The following table sets out financial information for the Company for each of the last eight quarters summarized in accordance with IFRS.

Quarter Ended	May 31, 2022 \$	Feb. 28, 2022 \$	Nov. 30, 2021 \$	Aug. 31, 2021 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(32,381)	(22,227)	(39,368)	(61,391)
Loss per share	(0.00)	(0.01)	(0.00)	(0.01)
Quarter Ended	May 31, 2021 \$	Feb. 28, 2021 \$	Nov. 30, 2020 \$	Aug. 31, 2020 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(64,225)	(114,294)	(53,455)	(105,233)
Loss per share	(0.00)	(0.01)	(0.00)	(0.01)

Liquidity

Historically, the Company's sole source of funding has been from loans payable and the issuance of equity securities for cash, primarily through private placements. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to equity or debt funding.

The Company had cash on hand of \$109 as at May 31, 2022 compared to \$142,278 as at May 31, 2021. The Company had a working capital deficit of \$577,059 as at May 31, 2021 compared to positive working capital of \$174,656 as at May 31, 2021. A significant portion of the drop in working capital relates to \$226,658 of Notes Payables being due within 12 months and no longer a Long Term Debt.

It is anticipated that the Company will have capital requirements in excess of its currently available resources and will need to seek additional financing. There can be no assurance that the Company will have adequate financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Resource PropertiesKirkland Creek Property

The Kirkland Creek property is located 120 kilometers northwest of Whitehorse, Yukon in the Ashihik Lake region. The Kirkland Creek property originally was comprised of 144 claims totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor retained a 3% net smelter royalty ("NSR") on any mineral production from the property. The Company has the right to purchase up to 2% of the 3% NSR for \$1,000,000 per percentage point. The Kirkland Creek property now consists of 40 contiguous claims. The Company is obligated to make pre-production royalty payments of an aggregate of \$25,000 annually to the Vendor – Deborah Moreau, who is the common-law spouse of the CEO of the Company.

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Saint Sabine Property, Quebec

On September 17, 2019 (as amended on August 9, 2021), the Company entered into an option agreement whereby the Company has the right to earn a 100% ownership interest in 140 mining claims in the Beauce region of Quebec.

To earn this interest, the Company is to make cash payments totalling \$295,000, issue a total of 1,500,000 common shares, and incur exploration expenditures on the property aggregating \$2,200,000 as follows:

Cash consideration to be paid:

- \$20,000 to be paid on execution of the agreement (paid);
- a further \$10,000 within 30 days of regulatory approval (paid);
- a further \$25,000 within 75 days of regulatory approval (paid);
- a further \$45,000 on or before December 10, 2021(overdue);
- a further \$55,000 on or before June 10, 2022(overdue);
- a further \$65,000 on or before September 26, 2022; and
- a further \$75,000 on or before September 26, 2023.

Common shares to be issued:

- 200,000 shares within 75 days of regulatory approval (issued);
- a further 250,000 shares on or before September 15, 2021(overdue);
- a further 300,000 shares on or before September 26, 2021(overdue);
- a further 350,000 shares on or before September 26, 2022; and
- a further 400,000 shares on or before September 26, 2023.

Exploration expenditures to be incurred by the Company:

- \$100,000 on or before September 1, 2021;
- \$500,000 in aggregate on or before September 10, 2022(overdue);
- \$1,200,000 in aggregate on or before September 26, 2022(overdue); and
- \$2,200,000 in aggregate on or before September 26, 2023.

A 2% net smelter royalty applies to the acquisition, of which two tranches of 0.5% may be acquired for \$500,000 each.

Partridge Gold Property, Quebec

In January 2020, the Company acquired a 100% interest in 95 mineral claims covering 52.68 km² in Abitibi, Quebec (the "Partridge Gold Project") in exchange for issuing 360,000 common shares to the vendor. The vendor will retain 2%-per-cent net smelter return ("NSR") royalty on the Partridge Gold Project. The Company may repurchase 50% of the NSR for a cash payment of \$1,000,000

Eliza Gold Project, Quebec

On February 6, 2020, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in 8 mineral claims covering 408 hectares within and near Azimut Exploration Inc.'s Elmer property, James Bay territory, Quebec. in exchange for issuing 600,000 units to the vendor and paying \$20,000 in cash. The vendor will retain 2%-per-cent net smelter return ("NSR") royalty on the Eliza Gold Project. The Company may repurchase 50% of the NSR for a cash payment of \$1,000,000

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In consideration, the Company will make cash payments totalling \$20,000, issue a total of 600,000 units all in stages over a three-year period as follows:

- Within 3 days of Exchange approval, \$20,000 cash (paid in March) and 150,000 shares and 150,000 warrants exercisable at \$0.60 for two years (issued in March);
- 1st anniversary of Exchange approval, issue 150,000 shares and 150,000 warrants exercisable at \$0.60 for two years (issued on July 23, 2021);
- 2nd anniversary of Exchange approval, 150,000 shares and 150,000 warrants exercisable at \$0.60 for two years (issued on June 27, 2022); and
- 3rd anniversary of Exchange approval, 150,000 shares and 150,000 warrants exercisable at \$0.60 for two years.

The optionor retains a 2% net smelter royalty, of which two tranches of 0.5% may be acquired by the Company for \$500,000 each.

Transactions with Related Parties

- (a) During the three month period ended May 31, 2021, the amount of \$15,000 (February 28, 2022 – \$28,750) was incurred to the Chief Executive Officer of the Company for consulting fees.
- (b) As at May 31, 2022, a total of \$17,933 (February 28, 2022 - \$Nil) was included in accounts payable and accrued liabilities owing to the CEO of the Company for consulting fees.
- (c) As at May 31, 2022, the amount of \$2,500 (February 28, 2022 - \$2,500) was owed to companies controlled by the Chief Executive Officer of the Company which is non-interest bearing, unsecured, and due on demand.
- (d) During the period ended May 31, 2022, the amount of \$Nil (February 28, 2022 - \$2,000) was incurred to a director of the Company for consulting fees.

Off-Balance Sheet Arrangements

As of the Report Date, the Company has not entered into any Off-Balance Sheet Arrangements.

Financial Instruments and Other Instruments

The Company holds financial instruments, as the term is defined in National Instrument 51-102F1 paragraph 1.14, consisting of cash, reclamation bonds, accounts payable and loans payable.

Adoption of New Accounting Standards

IFRS 16, Leases

This new standard replaces the existing leasing guidance in IAS 17, Leases.

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IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the balance sheet a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a very low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized on the statement of earnings will be recognized on the balance sheet.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

The adoption of this standard did not have a material impact on the Company's financial statements

Disclosure of Outstanding Share Data

As at July 28, 2022, the Company had 15,707,962 common shares issued and outstanding.

As at July 28, 2022, the Company had the following share purchase warrants outstanding

- a) 150,000 warrants exercisable at \$0.60 until July 23, 2023; and,
- b) 150,000 warrants exercisable at \$0.60 until June 27, 2024.

As at July 28, 2022, the Company had no stock options outstanding.

Subsequent Event

Subsequent to May 31, 2021, the Company issued 150,000 common shares and 150,000 warrants exercisable at \$0.60 until June 27, 2024 pursuant to the Eliza Property Acquisition.