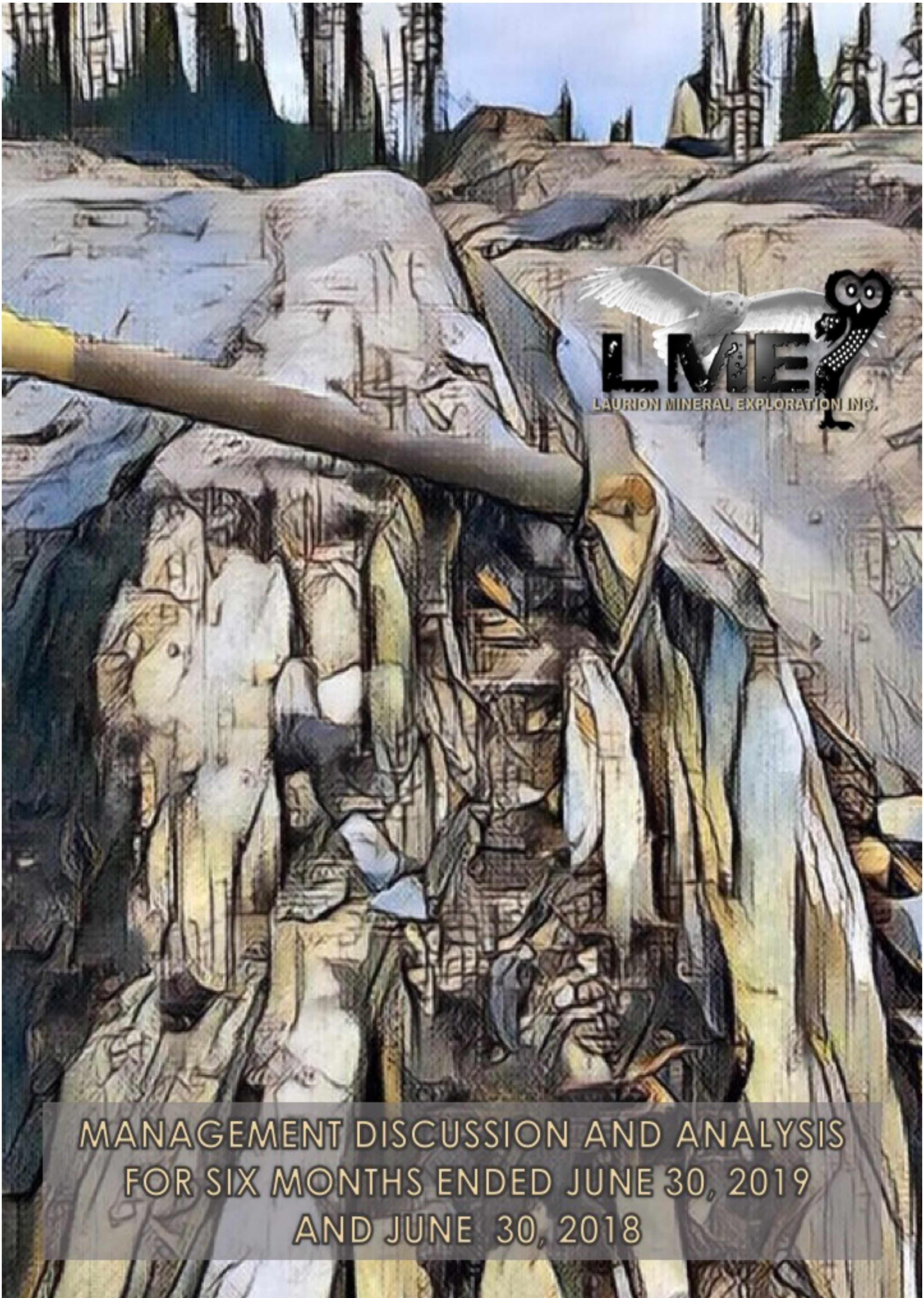

MANAGEMENT DISCUSSION AND ANALYSIS FOR SIX MONTHS ENDED JUNE 30, 2019 AND JUNE 30, 2018

FORWARD LOOKING DISCLAIMER

Certain statements in this document constitute "forward looking statements", which statements are made as of the date hereof. The Corporation undertakes no obligation to publicly update any such statements to reflect new information or the occurrence of future events or circumstances. Management believes that any forward-looking statements are based upon reasonable assumptions but can provide no guarantees or assurances that actual results will be consistent with such statements.

Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", "plan" or similar words. You are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

i. our ability to finance the continued exploration of our mineral properties:
ii. the lack of cash flow and the Corporation's dependency on new capital;
iii. our history of losses and expectation of future losses;
iv. our ability to obtain adequate financing for our planned development activities;
v. commodity price fluctuations;
vi. uncertainty of production at our mineral exploration properties;
vii. the lack of Proven Mineral Reserves or Probable Mineral Reserves;
viii. the risk of title problems related to resource properties;
ix. the impact governmental regulations, including environmental regulations; and
x. the results of legal claims made by or against the Corporation.

These forward-looking statements are based on the beliefs of our management as well as on assumptions made by and information currently available to us at the time such statements were made. We undertake no obligation to update forward-looking statements should circumstances or estimates or opinions change.

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This MD&A reports on our activities up August 23, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis (the "Q2-2019 MD&A") should be read in conjunction with the unaudited interim financial statements of the Corporation for three months ended June 30, 2019 and the notes related thereto, which were prepared in accordance with International Financial Reporting Standards.

- the unaudited interim financial statements of the Corporation for the three months ended March 31, 2019(the "Q1-2019 MD&A").
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- the audited annual financial statements of the Corporation for the year ended December 31, 2018(the "2018 MD&A");
- the unaudited interim financial statements of the Corporation for the nine months ended September 30, 2018 (the "Q3-2018 MD&A");
- the unaudited interim financial statements of the Corporation for the six months ended June 30, 2018 (the "Q2-2018 MD&A"); and

Information disclosed in the Q1-2019, 2018 MD&A, Q3-2018 MD&A, Q2-2018 MD&A and not updated herein, remains unchanged as of the date hereof.

OVERVIEW

The Corporation was incorporated under the Business Corporations Act (Ontario) on April 17, 1945, as Davidson Tisdale Mines Limited.

Since its incorporation, the Corporation has changed its name to Davidson Tisdale Ltd., Northcott Gold Inc., Laurion Gold Inc., and to Laurion Mineral Exploration Inc., which formally occurred on October 10, 2006.

Since its incorporation, the Corporation has been an exploration company engaged in the acquisition and exploration of Canadian gold properties, with exploration efforts focused on gold and base metals.

The Corporation holds the following property packages with the descriptions as follows:

1. The Ishkoday property situated in the Onaman-Tashota Greenstone Belt, 220km northeast of Thunder Bay, Ontario. The Ishkoday is composed of a 4,442-hectare land package consisting of 20 contiguous mining leases (1,178 hectares) and 17 mining claims totaling 204 units (3,264 hectares) located in Irwin, Walters, Elmhirst and Pifher Townships, 25km northeast of the Town of Beardmore.

2. A 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals on the Midlothian Property. The Midlothian Property consists of 11 claims (152 claim units) covering an area of approximately 2,432 hectares and is located 80km west-southwest of Kirkland Lake and 25km west-southwest of the town of Matachewan.

For additional information about the Ishkoday and Midlothian properties see sections hereof under the headings entitled "Q2-2019 Corporate Highlights", "Subsequent Events" and "Summary of Exploration".

Q2-2019 CORPORATE HIGHLIGHTS

The following are the Corporation's highlights of Q1-2019, which affected the performance:

- **LAURION Announces Proposed Non-Brokered Private Placement of Flow-Through Shares – (Press Release) - April 23, 2019** – the Corporation announced proposing to complete a flow-through private placement on a non-brokered basis (the "Private Placement"). The Corporation intends to raise up to approximately $250,000 in gross proceeds by issuing up to approximately 2,500,000 flow-through shares (the "FT Shares") at a price of $0.10 per FT Share.

- **LAURION Announces Closing of Non-Brokered Private Placement of Flow-Through Shares – (Press Release) – April 26, 2019** – the Corporation announces that it has closed its previously-announced non-brokered private placement (the "Private Placement") consisting of an aggregate of 2,000,000 flow-through shares (the "FT Shares") at a subscription price of $0.10 per FT Share, for aggregate gross proceeds to the Corporation of approximately $200,000.

- **Discovery of a 5km Wide New Gold Bearing Corridor at Ishkoday – (Press Release) – April 30, 2019** – the Corporation announced the results of the Corporation's initial construction of the litho-structural predictive model (the "Model") at the Corporation's wholly-owned Ishkoday Gold-Polymetallic Project ("Ishkoday"). LAURION's work to date has interpreted the presence of the new structural corridor: the 5km wide gold bearing Ishkoday Deformation Zone ("**IDZ**").

- **LAURION Appoints New Chief Financial Officer – (Press Release) – May 3, 2019 –** the Corporation announced the appointment of Miles Nagamatsu as the new Chief Financial Officer of the Corporation.

- **LAURION Assay Results from of the Surface Stockpile at Ishkoday Yields Range of Trace to 30.40 g/t Gold – (Press Release) – May 8, 2019 –** the Corporation announced laboratory certified assay results from the 2018 SONIC drilling completed on its surface stockpile (the "Stockpile") emanating from the historic operation of the Sturgeon River Mine at the Corporation's wholly owned Ishkoday Project ("Ishkoday"). A total 20 SONIC drill holes for 183m were completed testing the core of the Stockpile; collecting some 378 samples analyzed for gold.

- **LAURION Announces Proposed Non-Brokered Placement of Units – (Press Release) – May 9, 2019** – the Corporation announced that it is proposing to complete a private placement on a non-brokered basis (the "Private Placement"). The Corporation intends to raise $2 million in gross proceeds by issuing 20,000,000 units (the "Units") at a price of $0.10 per Unit.

- **LAURION Announces of First Tranche of Non-Brokered Placement of Units – (Press Release) – May 10, 2019 –** the Corporation announced that it has closed the first tranche of its previously-announced non-brokered private placement (the "Private Placement"), with the first tranche consisting of an aggregate of 10,000,000 units (the "Units") at a subscription price of $0.10 per Unit for aggregate gross proceeds to the Corporation of $1 million.

- **LAURION's First 2019 Metallurgical Study Work on Surface Stockpile at Ishkoday Achieves 95% Gold Recovery – (Press Release) – May 14, 2019** – the Corporation is pleased to announce the 2019 metallurgical laboratory test work completed on its surface stockpile (the "Stockpile") emanating from the historic operation of the Sturgeon River Mine at the Corporation's wholly owned Ishkoday Project

("Ishkoday"). XPS Expert Process Solutions of Falconbridge (Ontario) performed the metallurgical and mineralogical testing.

- **LAURION and Metals House Inc. Form Strategic Alliance – (Press Release) – May 22, 2019** – the Corporation announced that **LAURION** and **Metals House Inc.** ("Metals House") signed a Doré Sourcing Agreement which includes LAURION and LAURION's wholly-owned subsidiary, Ahsineeg Inc. ("Ahsineeg"), and Ahsineeg's private investment group.

- **LAURION Announces Annual and Special Meeting of Shareholders – (Press Release) – June 3, 2019** – the Corporation announced their upcoming Annual and Special Meeting (the "Meeting") of shareholders (the "Shareholders") to be held at the Valhalla Inn, 1 Valhalla Inn Road, Thunder Bay, Ontario, P7E 6J1, on Thursday, July 11, 2019 at 2:00 p.m. (Eastern time).

- **LAURION Commences Summer Exploration at the Ishkoday Project in Preparation for the Upcoming Diamond Drilling Program – (Press Release) – June 4, 2019** – the Corporation announced the commencement of the summer 2019 exploration program (the "Campaign") on the Corporation's 47 km2 Ishkoday Project ("Ishkoday"), located 220 km northeast of Thunder Bay.

- **LAURION Provides Updates on Exploration Program at Ishkoday and Previously-Announced Private Placement - (Press Release) - June 14, 2019 –** the Corporation provided an update on the 2019 exploration program (the "Stage 2 Campaign") at the Corporation's wholly-owned Ishkoday Project.

SUBSEQUENT EVENTS

- **LAURION Announce Annual and Special Meeting of Shareholders - (Press Release) – July 11, 2019 –** the Corporation announced the voting results of the Annual and Special Meeting of Shareholders of the Corporation that was held on July 11, 2019 (the "Meeting").

- **LAURION Announces Establishment of Technical Advisory Management Board and Issuance of Stock Options – (Press Release) – July 16, 2019 –** the Corporation announced the formation of a Technical Advisory Management Board (the "Advisory Board") to provide advice and peer review to the Board and LAURION management with respect to ongoing exploration efforts on the Ishkoday Project.

- **LAURION Updates Exploration Program and Ishkoday - (Press Release) – July 17, 2019 –** the Corporation announced an update on the 2019 exploration program (the "Stage 2 Campaign) at the Corporation's Ishkoday Project.

- **LAURION Announces Proposes Non-Brokered Private Placement of Flow-Through Units - (Press Release) – July 24, 2019 –** the Corporation announced that it is proposing to complete a private placement on a non-brokered basis (the “Private Placement”). The Corporation intends to raise $1 million in gross proceeds by issuing 8,333,333 units (the “Units”) at a price of $0.12 per Unit.

- **LAURION Renegotiates Arrangement with CGM Regarding Midlothian and Announces Completion of Previously Announced Private Placement of Units – (Press Release) – July 30, 2019** – the Corporation announced that it has successfully renegotiated the terms of its arrangement with Canadian Gold Miner Corporation (“CGM”) in regards to an early-stage exploration project located 80 km west-southwest of Kirkland Lake, Ontario and 25 km west-southwest of Matachewan, Ontario (the “Midlothian Property”).
  The Corporation also announced that its previously-announced non-brokered private placement (the “Private Placement”) of units (the “Units”) has been completed, pursuant to the Private Placement, in which an aggregate of 10,000,000 Units was issued at a subscription price of $0.10 per Unit for aggregate gross proceeds to the Corporation of $1 million.

- **LAURION Receives Significant Assay Results from Channels Samples at the M24 Vein at Ishkoday – (Press Release) – August 1, 2019** – the Corporation announced the first new gold assay results (the “Results”) from channel sampling at the M24 Quartz Vein (the “M24”) at the Corporation’s wholly-owned Ishkoday Project.

- **LAURION Updates Summer Program at Ishkoday – (Press Release) – August 7, 2019** – the Corporation provided a second update of the 2019 field exploration program (the “Stage 2 Campaign) at the Corporation’s wholly-owned Ishkoday Project.

- **LAURION Announces Closing of First Tranche of Non-Brokered Private Placement of Flow-Through Units – (Press Release) – August 13, 2019** – the Corporation announced that it has closed the first tranche of its previously-announced non-brokered private placement (the “**Private Placement**”), with the first tranche consisting of an aggregate of 2,916,666 units (the “**Units**”) at a subscription price of $0.12 per Unit for aggregate gross proceeds to the Corporation of $350,000.

- **LAURION’S No. 3 Quartz Vein Channel Samples Return Significant Gold Grades Ranging from 34g/t gold over 2.13m to 0.91g/t gold over 2.33m at Ishkoday– (Press Release) – August 20, 2019** – the Corporation reported the second batch of new gold assay results (the “**Results**”) from channel sampling at the No. 3 Quartz Vein (the “**3 Vein**”) located at the Corporation’s wholly-owned Ishkoday Project (“**Ishkoday**” or “**Project**”), located 220 km northeast of Thunder Bay, Ontario (*refer to **Map 1***). The channel sampling forms an integral part of the Stage 2 Campaign from the 2018-2019 exploration initiated in May 2018, a three-staged 18-month program with the strategic objective of outlining the precious and base metals upside potential at Ishkoday.

SUMMARY OF EXPLORATION

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

As the Corporation's business primarily involves mining exploration and development, the Corporation does not have a source of revenue and it remains impossible to determine the likelihood or estimated time frame for this to change.

Properties Status

	Property	Ownership	Metals	Agreement Arrangement
1.	Ishkoday Properties (4,442 ha)	100%	Au-Ag-Zn-Cu	
2.	Midlothian and Doon Properties (4,341 ha)	30%	PGE-Ni-Cu-Zn-Au	Transition Metals/ Canadian Miner

ISHKODAY PROPERTY

Corporate Status

LAURION Mineral Exploration Inc. is a small-cap, mid-stage junior exploration and development company focused primarily on its wholly owned 44.2km2 (10,027ac.) flagship 'brown field' Ishkoday Gold Polymetallic Project.

The Ishkoday Project is located 220km NE of Thunder Bay and 28km NE of Beardmore and conveniently straddles Highway 801. The Ishkoday property has favourable year-round access and proximity to all services, including grid power and water supply, which management believes translates to lower exploration and development costs.

The Corporation has a property-wide database of 283 diamond drill holes totalling 40,729m, detailed sampling, mapping, assays, geochemical analyses, ground geophysics and an extensive GIS database.

LAURION's objective is to validate and quantify a bulk precious and base metal environment. LAURION's drilling and sampling work to date has produced a comprehensive geological model forming a solid foundation of evidence for validation.

Exploration Outlook - Main Objectives for 2019

LAURION's objective for 2019 is to continue the mechanized outcrop stripping-trenching and channel sampling along trend of the 85-A2 and the Marge - "F" Quartz Vein systems in 5 additional trenches.

LAURION believes that one of the keys to the gold mineralization at Ishkoday is the presence of intrusive rocks, the likely heat source driving both the precious and base metals mineralization. The Marge -"F" Quartz Vein system (17.62 g/t gold with Visible Gold over a 36cm width along a strike length of 314m; Phoenix Gold, 1988) is centered on the Ishkoday Diorite Stock, from which the No. 3 Quartz Vein was historically mined at the south end of the intrusive, less than 500m away.

Two strip-trench areas with mapping and channel sampling are being planned at the Marge - "F" Quartz Vein system, to commence in the summer's exploration campaign. Two strip-trench areas are planned for the 85-A2.

LAURION has recently accessed a large valuable geophysical database executed over Ishkoday in 2008 by two operators. This database is currently being integrated with LAURION's existing GIS database, to deliver a geophysical inversion that captures all the relevant exploration criteria and provides targeting. Additional ground geophysics (IP and/or EM) may possibly be completed for defining intrusive rocks, faults and mineralization.

The Ishkoday Deformation Zone

The Corporation and Mira Geoscience ("Mira") have completed the initial construction of the litho-structural predictive model (the "Model") at the Corporation's wholly owned Ishkoday Gold-Polymetallic Project ("Ishkoday"). LAURION's work to date has interpreted the presence of a 5km wide gold bearing structural corridor which appears to be a deformation zone, the Ishkoday Deformation Zone ("IDZ"). This new shear/deformation zone on Ishkoday is an apparent new splay from the Paint Lake Shear/Deformation Zone (the "PLDZ"). The new Break is similar to the PLDZ, and to other gold bearing deformation zones such as in the Abitibi Greenstone Belt: the Destor Porcupine ("DPDZ") and Cadillac Larder Lake Deformation Zone ("CLLDZ"), which host major gold deposits.

This major kilometric long and wide northeast-southwest structural corridor encompasses most of the known precious and base metal mineralization at Ishkoday of the main 3km by 1km Target Area (refer to the Corporation's news releases dated December 4, 2018 and February 14, 2019). Mineralization is open along strike to the east-northeast and west-southwest; and is open at depth down-plunge beyond 650m as indicated from the historic Sturgeon River Mine development and production.

The Stage 2 Field Exploration Program

The Stage 2 Campaign forms part of the 2018-2019 exploration initiated in May 2018 as a three-staged 18-month program with the strategic objective of outlining the precious and base metals upside potential at Ishkoday.

LAURION initiated mechanized outcrop stripping, power washing, channel sampling and geological mapping of the M22-23-24-25 Quartz Veins at TR18-3, the Sturgeon Nos. 1-2-3 Quartz Veins at TR19-1, the CRK Sulphide and A-2 Quartz Veins at TR19-2, and the Marge-"F"- "X" Quartz Veins at TR19-3, all part of the 3km by 1km Target Area (the "Target Area") of the southern claims block (refer to news release dated June 14 and July 17, 2019). Additional field mapping was also being done within the 2018 stripped areas at TR18-1 (85-A2 Quartz Veins system) and at TR18-2 (Bootleg Quartz Vein system).
Refer to the Location Map on LAURION's website using link - http://laurion.ca/ishkoday-project/highlights/2019-field-exploration-program/

As a result of this work, LAURION now believes that the Loki Trend extends from the historic Miron Showing to the northeast, then successively encompassing towards the southwest the Garvey, "A" Zone, "D" Zone, McLeod, CRK, Joe and Tehya Showings, increasing the size of the precious and base metals Target Area from the original 3km by 1km to 5km by 1km. The Loki Trend itself is 400m wide.

Details of work completed as of this news release are as follows:

1. Channel sampling (231 samples) at TR18-3 has been completed and assay results were issued for the M24 Quartz Vein ("M24") in the August 1, 2019, news release. Significant composite interval results included 5.49 g/t gold over 1.70m (Line 17), 6.20 g/t gold over 1.35m (Line 25), and 2.59 g/t gold over 5.76m (Line 35P).

Significant individual assay results above 1 g/t gold included from the M24:

- 9.63 g/t gold over 0.59m (Line 2)
- 9.27 g/t gold over 0.20m (Line 4)
- 16.35 g/t gold over 0.55m (Line 17)
- 10.60 g/t gold over 0.62m (Line 22)
- 12.00 g/t gold over 0.29m (Line 31)
- 9.81 g/t gold over 1.26m (Line 35P*)

From the altered, quartz veined and pyrite-bearing Porphyry surrounding the vein ("Shear"), assay results showed 7.92 g/t gold over 0.35m (Line 16) within shear and from the "QFP", where it is altered, quartz-veined and pyrite-bearing - 9.99 g/t gold over 0.83m (Line 25) and 1.87 g/t gold over 1.65m (Line 26).

* P suffix means samples were taken within and parallel to the M24, whereas other sample Lines without the suffix P are taken within or outside and perpendicular to the M24 Quartz Vein.

2. Channel sampling and detailed field mapping has also been completed at TR19-1. All channel sample assay results are pending, including 393 channel samples from the historic No 3 Quartz Vein (the "3 Vein") and host rocks.

   The surface exposed portion of the 3 Vein measures 150m in length and varies between a few centimetres to more than 30cm wide. Historic work showed the 3 Vein as a single vein rarely splitting into two veins (3B Quartz Vein as reported by Phoenix Gold Mines, 1988), but LAURION's stripping at TR19-1 has established the 3 Vein as a package of multiple, anastomosing, centimetre-wide quartz veins oriented in two main directions of 010° and 040°, as well as sub-horizontal millimetre-wide quartz veinlets, all forming stockworks in a minimum 20m wide corridor within a disseminated and stringer sulphide bearing porphyry host at the south central end of the Sturgeon River Porphyry (the "Porphyry").

   In addition, geology maps from the underground drifts and crosscuts of the historic Mine (past production from 1935 to1942) indicate a similar pattern of veining to -685m below surface (L. Koskitalo, Phoenix Gold Mines, 1988), also validated by the presence of significant quartz veinlets (with gold) in Porphyry "waste rock" from the Mine's stockpile. LAURION's 2010 diamond drilling (LME-10-008, 008Wedge, 009, 009Wedge and 010) that undercut the 3 Vein and other major quartz veins confirm the widespread extent of these stockworks to not only below -700m vertical depth, but also greater than 500m in width.

3. Channel sampling is progressing on schedule at TR19-2 along the CRK Sulphide Veins ("CRK"), and the A2 Quartz Vein. Sampling is slated to be completed in August. Outcrop stripping uncovered the full extent of combined gold-silver bearing sulphide (iron, zinc and copper sulphides) and oxide (iron oxide or magnetite), actinolite (calcium, magnesium, and iron silicate) and chlorite (magnesium and iron alumino-silicate) veining in a heavily bleached, brecciated, silicified host forming a series of 040° to 050° trending metre-wide corridors (the "Loki Trend").

   The A-2 Quartz Vein (the "A-2 Vein") was observed over at CRK as it pinches and swells, forms beads or boudins, locally split in two, as it meanders it way over a 500m stripped length.

4. Outcrop stripping at the Marge, "X" and "F" Quartz Veins (the "Marge") in the north and central portion of the Porphyry at TR19-3 has been completed, covering 1,760m of total stripped lines.

As observed at the M24, 3 Vein and A-2 Vein, the veins of the Marge are shear-veins, with metric wide highly schistose wall rocks containing millimetre to centimetre wide quartz veinlets, iron carbonate, sulphides (iron and copper sulphides for now) and chlorite streaks similar to what is observed at CRK. The Marge meanders across the Porphyry between 005° to 055°, and anastomoses with a series of smaller centimetre veins and fractures or shears. The sector also hosts numerous north-south trending centimetre wide extension veins. A major 100m wide 045° shear zone exhibiting steep foliations, some sulphide development and fine millimetre-wide quartz veins was observed at the northwest extremity of the Marge.

5. Pending outcrop stripping will cover the M25 Quartz Vein at TR19-4 (8.40 g/t gold over a 245m length and average 0.23m width), located 50m southeast of M24, and the Nos. 8- 11 (4.61 g/t 0ver 30.49m and average 0.05m width) and A9 Quartz Veins (29.89 g/t over 67.68m and average 0.09m width), adjacent Highway #801 at TR19-5, as well as the Tehya or A-18 Sulphide Veins (“Tehya”).

   At Tehya, diamond drill holes LME-10-006: 0.15 g/t gold, 19.4 g/t silver, 0.70% copper and 0.72% zinc over 0.66m (from 31.50m to 32.2m), roughly 20-25m below the surface channel sample #14 which yielded 0.19 g/t gold, 14.70 g/t silver, 0.32% copper and 3.07% zinc over 4.05m; and LME-10-007 (located 50m southwest of LME-10-006): 0.45 g/t gold, 27.78 g/t silver, 0.94% copper and 3.91% zinc over 4.08m (from 35.50m to 39.58m).

6. Additional field mapping of 2018 stripped areas TR18-1 and 2 has been completed.

7. Core re-logging continues of key previous LAURION drill holes from across Ishkoday to re-evaluate the rock units, structures, alteration and mineralization, and eventually complete additional core sampling to ensure continuous assaying of the entire drill core for the evaluation of the bulk gold potential.

8. An airborne magnetic survey will be completed during August to further refine Rock Units, structures and sulphide-magnetite veins in 3D and help in the definition of litho-structural domains; and

9. In excess than 2,200m2 of stripped outcrop from TR18-3 has been rehabilitated.

Work at this time on the regional 1:250,000 and 1:50,000 map scales geological modelling by Mira Geoscience, and the geological analysis and block modelling at the local 1:50,000 and 1:15,000 map scales by The Nordmin Group of Companies, has sufficiently advanced until the end of the field season. Both their work will pick up in Q4-2019.

Confirming the extensions of known and new gold bearing quartz and polymetallic sulphide veins remains a priority for the Stage 2 Campaign and will ultimately help in completing the construction of the 2-D and 3-D geological-mineralization model (the "Model"). This Model will provide LAURION with a solid technical base to initiate diamond drilling to prove the upside potential as part of the Stage 3 program to start later in 2019-2020. LAURION's work continues confirming the extensive quartz and sulphide veining across the Target Area. The field portion of the Stage 2 Campaign is slated for completion by the end of Q3-2019.

MIDLOTHIAN PROPERTY

Location of the Midlothian Property

The Midlothian property consists of 11 claims (152 claim units) covering an area of approximately 2,432 hectares and is located 80km west-southwest of Kirkland Lake and 25km west-southwest of the town of Matachewan.

On July 22, 2014, the Corporation executed a Purchase and Sale Agreement with Kiska Metals Corporation ("Kiska") for the disposition of the Corporation's 51% interest in the Midlothian Project. The Corporation received $25,000 cash payment plus the return of the 500,000 common shares of the Corporation held by Kiska. Pursuant to the agreement, the Corporation will also receive a 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals. Kiska further agrees to incur a minimum of $2,000,000 of mineral exploration expenditures on or before July 22, 2019 or may elect to make a cash payment equal to the difference between the $2,000,000 and the actual mineral exploration expenditures incurred. Failure to do so will result in a 100% interest in the property reverting back to the Corporation and Kiska retaining a net smelter royalty of 1%. In addition, the Corporation is to receive $500,000 upon completion of a mineral resource estimate of at least 500,000 gold equivalent ounces ("GEOs") and an additional $1,000,000 upon the decision to commence the development and construction of a mine for the project.

In March 2016, Kiska announced that it had entered into an agreement ("Agreement") to sell the Midlothian Property to Canadian Gold Miner Corp. ("CGM"), a subsidiary of Transition Metals Corp.

Pursuant to this agreement, the Corporation will retain its 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals.

Renegotiation of Arrangement with CGM on the Midlothian Property

The Midlothian Property is subject to certain agreements dated July 18, 2014 that were collectively assumed by CGM pursuant to an assignment agreement dated February 29, 2016 (the "Midlothian Agreement").

Due to some unsatisfied conditions, LAURION and CGM have agreed to terminate the Midlothian Agreement and in its place, enter into a joint venture (the "Joint Venture") for the purposes of extending the parties' arrangement regarding the Midlothian Property. The principal purpose of this arrangement was to advance the development and operate the mining of any commercially exploitable ore body on the Midlothian Property. The Joint Venture effectively extends and builds upon the Midlothian Agreement, which is replaced in its entirety by a new joint venture agreement dated July 25, 2019 (the "Joint Venture Agreement").

Joint Venture Highlights

Acquisition of 30% Interest in the Midlothian and Doon Properties: LAURION will reacquire a 30% interest in the Midlothian Property and also obtain a new 30% interest in certain mining claims located adjacent to the Midlothian Property in the Doon and Midlothian Townships (the "Doon Property" and together with the Midlothian Property, the "Property").

Work Expenditure Commitments on the Property and New NSR:
The Joint Venture provides CGM with additional time to satisfy its work expenditure commitments on the Property and reflects both parties' desire to ensure that maximum expenditures by CGM are directed into exploration activities at the Property. In the event that CGM completes $2.5 million in expenditures on the Property and LAURION opts to be diluted down to a 10% ownership interest, then LAURION will receive a 3% net smelter returns royalty on the Property.

STRATEGIC ALLIANCE WITH METALS HOUSE

In May 2019, LAURION announced a strategic alliance with Metals House. LAURION and Metals House signed a Doré Sourcing Agreement which includes LAURION and LAURION's wholly owned subsidiary, Ahsineeg Inc. ("Ahsineeg"), and Ahsineeg's private investment group.

This Agreement will give Metals House a 'right of first refusal' to the 190,000-tonne surface stockpile (the "Surface Stockpile") located on LAURION's wholly owned Ishkoday property (the "Ishkoday Project") situated 220 kilo northeast of Thunder Bay, Ontario. The former Sturgeon River Mine produced 73,322 ounces of gold, and 15,929 ounces of silver (1936-1942) from the No. 3 Vein (24 g/t gold), generating a large gold and silver bearing stockpile in the indicated resource category. (NI 43 -101 – See Press Release April 23, 2013 and the Technical Report filed on SEDAR June 2013).

LAURION's wholly owned subsidiary, Ahsineeg, along with its private investment group, will not only finance and otherwise support the development and extraction of gold and other metals from the Surface Stockpile, but will serve as the Canadian conduit/broker for Metals House for doré sourced in Canada and other countries.

Metals House is a fully regulated global precious metals trading firm with its principal trading subsidiary in the Dubai Multi Commodities Centre (DMCC) in Dubai, UAE. The firm has offices in Dubai, Miami, Sao Paulo, Toronto, Nouakchott and Hong Kong.

Metals House's primary business is arbitraging the pricing spreads between gold as a commodity (raw/unrefined gold) and gold as a currency (refined/" Good Delivery" bars). The company purchases unrefined artisanal mine-produced precious metals, as well as bullion, bulk scrap jewelry, and government-minted gold and silver coins globally.

Metals House verifies the purity and refines the precious metals and sells Good Delivery bars and minted coins to clients worldwide. Metals House earns its revenues independent of gold price volatility.

Metals House recently launched a $150 Million Debt Security Offering. The investment opportunity, launched in April 2019, combines the collateral backing of physical gold with a senior secured 8% coupon debt instrument. Approximately 95% of Metal House's total capital base is backed by physical precious metals (gold and silver) inventory and USD currency, with inventory hedged against market fluctuations.

LAURION's announcement of this Agreement with Metals House not only signals an important moment for LAURION and its shareholders moving forward but creates a mutually beneficial long-term strategic financial working partnership for both parties.

SUMMARY OF QUARTERLY RESULTS

The following information relates to the Corporation's eight most recently completed quarters. As noted above, the Resource Properties are not at the stage of commercial production and, therefore, the Corporation does not have a source of revenue.

Unaudited Statements for the Eight Last Quarters

	June 30, 2019 ($)	MAR 31, 2019 ($)	Dec 31, 2018 ($)	Sept 30, 2018 ($)
Net Income (Loss)	(341,973)	(245,584)	81,449	(641,507)
Net Income (Loss) Per Share*	(0.003)	(0.002)	0.001	(0.004)

	June 30, 2018 ($)	MAR 31, 2018 ($)	Dec 31, 2017 ($)	Sept 30, 2017 ($)
Net Income (Loss)	(775,024)	(100,296)	(79,199)	(70,028)
Net Income (Loss) Per Share*	(0.005)	(0.001)	(0.001)	(0.001)

*Note: The (Loss) Income Per Share is calculated using the weighted average number of Common Shares.

Analysis of Expenses

As the Corporation's business primarily involves mining exploration and development, the Corporation does not have a source of revenue and it remains impossible to determine the likelihood or estimated time frame for this to change.

The financial statements of the Corporation have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future.

As at June 30, 2019, the Company had a working capital of $486,889 (December 31, 2018, a working capital deficit of $77,272), and for the 6 months ended June 30, 2019, the Company incurred a loss of $587,557 (2018 - $875,320) and a cashflow deficit from operations of $565,935 (2018 - $158,397).

Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole.

The Corporation determined that the key management personnel consist of the President, Chief Financial Officer and the Board of Directors.

Transactions with key management personnel are set out as follows:

	For the Six Months Ended		Outstanding at June 30, 2019	Outstanding at December 31, 2018
	June 30, 2019	June 30, 2018		
Management Fees	63,217	74,901		
Exploration and Evaluation	87,978	23,319		
Investor Relations	21,399	36,324		
Sub Total	172,594	134,544		
Rent	1,800	1,800		
TOTAL	174,394	136,344	198,428	171,903

During a prior year director and officer advanced $24,000 in working capital loans to the Corporation. These loans are unsecured, non-interest bearing and payable on demand. This loan was repaid in July 25, 2019.

Off Balance Sheet Arrangements

The Corporation is not a party to any off-balance sheet arrangements or transactions.

SHARE CAPITAL SUMMARY

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of special shares (voting, redeemable, convertible, participating), and 500,000 Class A shares (voting, non-redeemable, convertible, non-participating).

Share Summary

As at August 23, 2019, there were 158,656,425 common shares issued and outstanding.

Non-Brokered Private Placement of Flow-Through and Non-Flow Through Units

On April 26, 2019, the Company completed a private placement of 2,000,000 flow-through common shares at a price of $0.10 per share for gross proceeds of $200,000. In connection with a finder's fee for the private placement, the Company paid a cash commission of $16,000 and issued 160,000 warrants entitling the holder to purchase one common share for $0.13 until April 26, 2021.

On May 9, 2019, the Company announced that it had received a subscription agreement for a private placement of 20,000,000 units at a price of $0.10 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one warrant entitling the holder to purchase one common share for $0.14 for 24 months. In connection with the private placement, the Company may pay finders' fees in the form of cash commissions and finder's warrants having the same attributes as the unit warrants.

On May 10, 2019, the Company received proceeds of $1,000,000 with respect to the closing of the first tranche of 10,000,000 units. In connection with a finder's fee for the closing, the Company paid a cash commission of $50,000 and issued 500,000 warrants entitling the holder to purchase one common share for $0.14 for 24 months.

Subsequent Events

On July 24, 2019, the Company announced that it has accepted a subscription agreement for a private placement of 8,333,333 units at a price of $0.12 per unit for gross proceeds of $1,000,000. Each unit will consist of one flow-through common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.15 per share for a period of 24 months. In connection with the private placement, the Company may pay finders' fees in the form of cash commissions and finder's warrants having the same attributes as the Warrants. The closing of the private placement is subject to the approval of the TSX Venture Exchange.

On August 13, 2019, the Corporation announced that it has closed the first tranche of its previously-announced non-brokered private placement (the "Private Placement"), with the first tranche consisting of an aggregate of 2,916,666 units (the "Units") at a subscription price of $0.12 per Unit for aggregate gross proceeds to the Corporation of $350,000.

Shares for Debt Settlement

On July 24, 2019, the Company issued 1,467,008 common shares at a deemed price of $0.10 per share to settle outstanding fees of $146,700 owe to a company controlled by a director and officer. The settlement was approved by the disinterested shareholders at the annual and special meeting of shareholders held on July 11, 2019.

Stock Option Plan

Effective October 4, 2010, the Board adopted a new rolling 10% stock option plan (the "2010 Stock Option Plan"), which was ratified by the Shareholders on November 5, 2010 and approved by the TSXV. The 2010 Stock Option Plan replaced the Company's previous incentive stock option plan, dated August 11, 2000, as amended and restated on March 3, 2004, June 20, 2005 and August 30, 2006 (collectively, the "2006 Stock Option Plan"). While all existing grants of options under the 2006 Stock Option Plan will continue to be exercisable in accordance with their terms, the 2010 Stock

Option Plan will remain in effect and any subsequent option grants will be made pursuant thereto. Additional information in respect of the 2010 Stock Option is set forth below.

The purpose of the 2010 Stock Option Plan is to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with those of the shareholders. The 2010 Stock Option Plan will be administered by the Board or, in its discretion, a stock option committee consisting of not less than three members of the Board. It is anticipated that the Board will administer the 2010 Stock Option Plan with recommendations from the compensation committee of the Corporation (the "Compensation Committee").

Pursuant to the 2010 Stock Option Plan, options will be exercisable over periods of up to ten years as determined by the Board. In addition, options are required to have an exercise price no less than the closing market price of the Corporation's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV.

Pursuant to the 2010 Stock Option Plan, the Board may from time to time authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of Common Shares which may be issued pursuant to options granted under the 2010 Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the 2010 Stock Option Plan will be subject to such vesting schedule as the Board may determine.

The terms and conditions of each option granted under the 2010 Stock Option Plan will be set forth in an option agreement entered into between the Corporation and each optionee (the "Option Agreement"), such agreement in the form appended to the 2010 Stock Option Plan. Each Option Agreement, among other things, sets out the number of options granted, their exercise price, vesting schedule and term.

Pursuant to the 2010 Stock Option Plan, if any participant who is a director, officer, employee or consultant of the Corporation or an affiliate shall cease to act in that capacity for any reason other than death or permanent disability, such participant's options will terminate on the earlier of the date of the expiration of the relevant date and 90 days after the date such participant ceases to be a director, officer, employee or consultant of the Corporation or any affiliate. The 2010 Stock Option Plan also provides that if a change of control, as defined therein in accordance with TSXV rules, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Options are non-assignable and non-transferable, although they are assignable to and may be exercisable by an optionee's legal heirs, personal representatives or guardians in certain cases.

Summary of Stock Options Outstanding as at August 23, 2019

Grant Date	Expiry Date	Exercise Price ($)	Number of Options	Exercisable Options
December 31, 2010	December 31, 2020	0.12	1,500,000	1,500,000
December 31, 2011	December 31, 2021	0.10	480,000	480,000
December 31, 2012	December 31, 2022	0.10	2,410,000	2,410,000
	October 1, 2023	0.105	66,667	22,222
December 31, 2013	December 31, 2023	0.05	1,030,000	1,030,000
December 31, 2014	December 31, 2024	0.05	1,100,000	1,100,000
April 6, 2017	April 6, 2027	0.05	250,000	166,667
June 15, 2018	June 15, 2028	0.05	1,650,666	984,000
May 15, 2019	May 15, 2029	0.11	250,000	83,325
June 24, 2019	June 24, 2029	0.11	750,000	249,975
July 16, 2019	July 16, 2029	0.11	500,000	176,650
TOTAL			**9,987,333**	**8,202,839**

Grant of Stock Options

On July 16, 2019, the Company granted 500,000 stock options to directors. Each stock option entitles the holder to purchase one common share for $0.11 until July 16, 2029.

Summary of Outstanding Warrants at August 23, 2019

Exercise Price	Expiry Date	Number of Warrants
$0.07	March 22, 2020	2,740,000
$0.09	July 18, 2020	8,947,857
$0.12	August 2, 2020	5,626,109
$0.12	December 28, 2020	1,937,778
$0.14	May 9, 2021	10,500,000
$0.12	August 12, 2021	2,916,666
		32,668,410

THE CORPORATION AS A GOING CONCERN

The Corporation is in the process of exploring its flagship property, the Ishkoday Property. The Corporation has not yet determined whether the property contains economically recoverable resources. The recoverability of the carrying values of mineral exploration properties and deferred exploration costs is dependent upon the discovery of economically recoverable resources, the preservation of the Corporation's interest in the underlying patented leases and mineral claims, the ability of the Corporation to obtain financing necessary to continue the development of the

Ishkoday Property, or any of its other properties, or alternatively upon the Corporation's ability to dispose of its interests on an advantageous basis.

These financial statements of the Corporation have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future.

As at June 30, 2019, the Company had a working capital of $486,889 (December 31, 2018, a working capital deficit of $77,272), and for the 6 months ended June 30, 2019, the Company incurred a loss of $587,557 (2018 - $875,320) and a cashflow deficit from operations of $565,935 (2018 - $153,397).

These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

The Corporation is a careful steward of the treasury and continues to actively pursue opportunities to access financing at this current time.

The resource sector has been subject to continued softening of commodity prices and a dramatic sell-off in equity markets, which has created a capital desert in the junior end of the capital market at levels not experienced in the resource sector the last 10 years.

Financing remains tough across the mining sector. The vast majority of exploration companies will continue to struggle with limited financing options and a general lack of investor interest.

Advanced juniors and mid-tier producers have been caught in the middle, exposed to a fragile balancing act between investors' thirst for yield and low tolerance of risk. There is some hope in the form of private capital investors who favour the juniors with more advanced projects.

In that respect, LAURION has been proactive and practically unique in its ability to have monetized all non-core assets to enable exploration focus on its primary Ishkoday discovery property, delaying and minimizing the need for equity injections. To date, LAURION has garnered $6.35 million from the successful monetization of several projects over the last 8 years.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) COMPLIANCE AND ADOPTION

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These financial statements have been approved by the Board of Directors on August 23, 2019.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On January 1, 2019, the Company adopted the following amendment to standards: IFRS 16, Leases ("IFRS 16").

This standard replaces IAS 17, Leases. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17.

The adoption of this accounting standard had no impact on the condensed interim consolidated financial statements as the Company is not a party to any leases.

FINANCIAL INSTRUMENTS

A. Fair Value

The carrying value of cash and investments is measured at fair value as they are classified as FVTPL ("Fair Value Through Profit and Loss"). Trade and other payables are classified as other financial liabilities, which are measured at amortized cost which approximates fair value due to the short-term nature of these financial instruments. Other receivables are classified as loans and receivables, which are measured at amortized cost which approximates fair value due to the short-term nature of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash and investments are considered to be level 1 under the fair value hierarchy.

B. Credit Risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfil its payment obligations. The Corporation's credit risk relates to cash and other receivables. Cash is held with a reputable financial institution and is closely monitored by management. The Corporation's maximum credit exposure is $33,845 at March 31, 2019 (December 31, 2018 - $224,785). Management believes the credit risk with respect to cash is not significant.

C. Liquidity Risk

Liquidity risk refers to the risk that the Corporation will not be able to meet its financial obligations when they become due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due.
For the year ended June 30, 2019, cash used in operations by the Corporation was $565,953 (2018 - $158,397). The Corporation has not generated revenue from operations.

The Corporation has no income and relies on equity financing to support its exploration program. Additional financing is required to fund the related operating expenses required to manage the Corporation through the fiscal year of 2018. Management prepares budgets and ensures funds are available prior to commencement of any exploration program.

D. Capital Disclosures

It is anticipated that at some point during 2019 the Corporation will incur capital expenditures on its resource property. The Corporation is in good standing with current planned work on its resource property.

The Corporation's focus is to place the Corporation in a better financial position in order to; i) to aggressively explore and develop its flagship property; ii) to continue to retain exploration and development consultants GeoVector Management Inc.; and lastly iii) to increase shareholder value with the continued success the Corporation has realized on the Ishkoday Property.

In the event that additional capital is required to finance the exploration of the resource property, it is expected that any capital raised by the Corporation will be by way of an equity financing, likely in the form of a private placement, or to consider financing growth through unique commodity financing alternatives to debt and equity.

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Corporation does not have any externally imposed capital requirements. There were no changes in the Corporation's approach to capital management during the year ended March 31, 2019 or 2018.

E. Contingencies and Commitments

The Corporation has a contract for consulting services with AquinTerra Inc. a company wholly owned by the President of the Corporation. Consulting services include, but are not limited to, accounting consultation, administrative personnel services, administrative management, corporate development, investor relations and exploration services.

The Corporation is required to make minimum annual payments to AquinTerra in the amount of $225,000.

The Corporation is also required to make minimum annual payment to Marlborough Management Limited in the amount of $63,600 for management and accounting services.

The Corporation is party to certain consulting contracts that provide for aggregate contingent payments of up to approximately $337,500 to AquinTerra upon termination or the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements.

The Corporation raised flow-through funds in the amount of $350,000 on August 12, 2019. These funds are restricted exclusively to fund Canadian exploration expenses incurred and must be spent before the end of 2020.

F. Environmental Contingencies

The Corporation's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Additional information about LAURION Mineral Exploration Inc. can be obtained from the Corporation's website at **www.LAURION.ca**, by visiting the SEDAR public documents site at **www.sedar.com** or by contacting:

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