Aurion
RESOURCES

Management's Discussion & Analysis of

Financial Conditions & Results of Operations

June 30, 2016

Background

This discussion and analysis of financial position and results of operations of Aurion Resources Ltd. (the "Company" or "Aurion") is prepared as of August 26, 2016 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015 where necessary. All dollar figures included therein and in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Company Overview

The Company is a prospect generator with a strategy to fund mineral exploration through partnership agreements. This approach significantly reduces the technical and financial risk for the Company, without losing exposure to the shareholder value enhancement of a major discovery.

The Company was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006 and listed on the TSX Venture Exchange ("Exchange") on October 3, 2008. Aurion and its wholly-owned subsidiaries, Minera Aurion de Mexico S.A. de C.V., Aurion Resources (US) LLC and Aurion Oy are engaged in the evaluation, acquisition and exploration of mineral properties in Canada, Mexico, the United States and Finland. The Company's primary focus is currently in Finland.

Mineral Properties

As at June 30, 2016

Geographical Area	Number of Claims	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
		$	$	$	$	$
Finland	**46**	**911,656**	**363,278**	**-**	**(2,156)**	**1,272,778**
United States	**358**	**420,887**	**119**	**-**	**(119)**	**420,887**
Mexico	**2**	**-**	**2,772**	**-**	**(2,772)**	**-**
	406	**1,332,543**	**366,169**	**-**	**(5,047)**	**1,693,665**

As at December 31, 2015

Geographical Area	Number of Claims	Balance, Beginning of Year	Additions	Receipts From Partners	Properties Written Down	Balance, End of Year
		$	$	$	$	$
Finland	41	676,342	377,987	(124,500)	(18,173)	911,656
United States	358	1,169,213	11,907	-	(760,233)	420,887
Mexico	2	-	5,663	-	(5,663)	-
	401	1,845,555	395,557	(124,500)	(784,069)	1,332,543

The following provides details of exploration and evaluation asset additions by geographical area for the periods indicated:

	June 30, 2016				June 30, 2015			
	total	Finland	United States	Mexico	total	Finland	United States	Mexico
	$	$	$	$	$	$	$	$
Aquisitions	316,978	316,978	-	-	182,785	182,785	-	-
Land Management	99,317	96,545	-	2,772	153,577	150,650	-	2,927
Assays	5,327	5,327	-	-	355	355	-	-
Field Supplies	17,051	17,051	-	-	145	145	-	-
Labour	167,582	167,582	-	-	6,606	6,606	-	-
Consulting Fees	8,717	8,717	-	-	2,790	2,790	-	-
Professional Fees	-	-			-	-	-	-
Freight	707	707	-	-	-	-	-	-
Miscellaneous	621	621	-	-	-	-	-	-
Surveying	-	-	-	-	-	-	-	-
Database	54,911	54,911	-	-	-	-	-	
Travel	25,706	25,706	-	-	4,106	4,106	-	-
Accomodations	14,225	14,225	-	-	2,988	2,988	-	-
Meals	10,774	10,774	-	-	922	922	-	-
Equipment and Rentals	49,660	49,541	119	-	775	656	119	-
Total expenditures	771,576	768,685	119	2,772	355,049	352,003	119	2,927
Financed by Partners	(405,407)	(405,407)	-	-	-	-	-	-
Total Additions	366,169	363,278	119	2,772	355,049	352,003	119	2,927

FINLAND

Since starting its initiative in Finland in early 2014, the Company has assembled approximately 300,000 hectares of mineral tenements in the Central Lapland Greenstone Belt (CLGB) of Northern Finland. This geological setting is highly prospective for gold, platinum group element and base metal deposits.

a) On March 4, 2014, the Company announced that it had signed a binding Letter of Intent with Dragon Mining Limited ("Dragon") to acquire a 100% interest in two advanced exploration projects in the CLGB of northern Finland (**Kutuvuoma** and **Silasselkä** (renamed **"Sila"**)). According to the terms of the Letter of Intent, the Company finalized and signed a definitive Purchase Agreement on May 26, 2014. Pursuant to the terms of the Purchase Agreement and subject to regulatory approvals, the Company is required to issue a total of 6,000,000 shares to Dragon in four tranches over three years. The first three tranches of shares will be held in escrow for eighteen months from the date of the issuance of the first tranche on signing. The Company has also committed to incur a total of €1,000,000 in expenditures on these properties over three years. There are no firm work commitments in the first two years, other than maintaining the tenements in good standing. In addition, Dragon will retain a 3% Net Smelter Royalty ("NSR") on any deposit mined by the Company within the projects or any defined Area of Interests. The NSR can be purchased at any time on or before the sixth anniversary of signing the Purchase Agreement with a single cash payment of €4,000,000. Upon successful resource definition, the Company will also make bonus payments to Dragon for the sum of €2,000,000 in cash or equivalent in common shares of the Company for the defining of 1,000,000 ounces of gold material and € 1,000,000 in cash or equivalent in common shares of the Company for the defining of every additional 1,000,000 ounces of gold equivalent material within the projects and the defined Area of Interests.

On September 8, 2014, the Company issued the first tranche of 2,000,000 shares to Dragon. The second tranche of 1,000,000 shares was issued to Dragon on November 14, 2014 and the third tranche of 1,000,000 shares was issued to Dragon on January 6, 2015. The final tranche of 2,000,000 shares was issued to Dragon on May 20, 2016.

On March 3, 2015, the Company announced that it had signed a Letter Agreement with Dragon amending the terms of the original Purchase Agreement dated May 26, 2014. The amendments include the removal of the Right of First Refusal clause, the inclusion of an additional clause in relation to Confidential Information and the relaxing of the time period before the Company can seek a third party partner. As compensation for the amendments, the Company will issue a total of 750,000 common shares at a deemed value of $0.05 per share, over and above those shares to be issued pursuant to the original Purchase Agreement. 250,000 common shares will be issued to Dragon upon execution of the Letter Agreement and 500,000 common shares will be issued to Dragon either a) at the same time of the issuance of the final installment of shares due pursuant to the Purchase Agreement, or b) on termination of the Purchase Agreement. The Company issued 250,000 to Dragon on March 24, 2015. The remaining balance of 500,000 common shares was issued to Dragon on May 20, 2016 concurrent with the issuance of the final installment of shares (see previous paragraph).

b) On January 8, 2015, the Company signed a Definitive Agreement with AA Sakatti Mining Oy ("AA"), a wholly owned subsidiary of Anglo American, to purchase two land tenements covering 3,530 ha located immediately adjacent to the Company's **Kutuvuoma** project. Under the terms of the Agreement the Company will issue 1,000,000 shares and pay €50,000. AA will retain a 1% NSR which can be purchased for €1,000,000. AA can also back-in to any future Ni- PGM discovery for three times the Company's exploration expenditures or €1,000,000 whichever is greater. If there is appreciable gold in the backed-in Ni-PGM discovery the Company will receive a sliding scale royalty of between €7 and €15 per ounce produced based on the market gold price. The Company has paid €50,000 and on March 11, 2015, 1,000,000 shares were issued to AA.

c) On August 13, 2015 the Company signed a binding Letter Agreement with B2Gold Corp., ("B2Gold"), granting B2Gold the right to earn up to an undivided 75% interest of an approximately 25,000 ha project area that includes the **Kutuvuoma,** and **Ahvenjarvi** projects. Pursuant to the terms of the Letter Agreement, the Company formalized and signed a definitive Option Agreement with B2Gold on January 18, 2016.

Under the terms of the Letter Agreement B2Gold must complete $5,000,000 in exploration expenditures, pay Aurion $50,000 cash and issue 550,000 B2Gold shares over 4 years to earn a 51% interest. B2Gold can earn an additional 19% interest by spending a further $10,000,000 over 2 years. B2Gold can earn an additional 5% interest (for a total of 75%) by completing a bankable feasibility study.

The first year commitment of $750,000 in exploration expenditures including 2000 m of drilling and payment of $50,000 cash and 50,000 B2Gold shares is guaranteed. The Company will be the operator until drilling commences. A finder's fee payable by the Company with respect to this transaction was settled on April 29, 2016 by the issuance of 1,476,750 common shares at a deemed value of $0.13 per share.

Finland Projects

The Company currently holds several tenements covering approximately 300,000 hectares including the **Kutuvuoma** and **Ahvenjarvi** projects within the Central Lapland Greenstone Belt (CLGB) of the Fennoscandian Shield. These land holdings are located approximately 850 kilometers north of the Finnish capital of Helsinki and occur entirely north of the Arctic Circle. The Kittilä gold mine operated by Agnico Eagle Mines Limited (Agnico) is currently Europe's largest gold mining operation (7.7 M oz Gold: Agnico Annual Report) and is located in the CLGB approximately 37 kilometers to the northwest or **Kutuvuoma** in rock sequences of similar age.

Access to all the properties is very good, with forestry roads extending from paved highways providing access to the otherwise forested and undeveloped property areas. Topography in both cases is low and characterized by generally rolling hills with relief of less than 150 m. There are also almost daily flights from Helsinki to the nearby airport in the town of Kittila.

Most historic, economically important gold deposits of the CLGB occur in direct proximity to the metallogenically important "Sirkka Line" that is centered along the course of the Sirkka Shear Zone (SSZ), a major south dipping thrust fault system showing northeast transport that has been mapped for over 120 km along an east-southeast trend within the CLGB. The SSZ is characterized by numerous sub-parallel splays that also host important, structurally focused gold mineralization such as that present in the Pahtavaara deposit, located 30 km east of **Kutuvuoma**, and the Saattapora deposit located 55 km northwest of Kutuvuoma. A set of north-south trending strike-slip shear zones that depart northward from the SSZ are also important regional controls to gold mineralization, the most important of these currently being the Kiistala Shear Zone that hosts the previously mentioned Kittilä gold mine. The Hanhimaa Shear Zone (HSZ) parallels the Kiistala structure and is located about 10 km to the west of it. Several significant new gold occurrences on the Hanhimaa trend serve to identify this as an emerging regional-scale gold trend. The Company's **Sila** property strategically lies along strike to the north and covers an essentially unexplored, 13 km long interpreted northern extension of the favorable Hanhimaa trend.

KUTUVUOMA

Bedrock geology at **Kutuvuoma** is dominated by east to southeast trending Paleoproterozoic volcanic-sedimentary sequences of the CLGB's Savukoski Group and currently defined gold mineralization on the property occurs in association with sulphide-bearing quartz vein arrays, with disseminated sulphides in altered, albitic, silicious meta-mudstones and meta-igneous rocks as well as in sulphide matrix breccias. The main deposit at **Kutuvuoma** occurs as a moderately west-plunging zone localized along a south dipping, sheared graphitic unit within sheared and altered Savukovski Group country rocks. These include komatiites as well as graphitic-sulphidic schist, fine grained meta-sandstone and thin interbedded marble.

Historical Results

The **Kutuvuoma** deposit is a high-grade, shear zone hosted gold deposit that was discovered in the mid-1990's by the Finnish state entity Outokumpu Oy (Outokumpu), while exploring for base metals. Outokumpu drilled 47 shallow core and reverse circulation drillholes totalling 3,425 m, testing **Kutuvuoma** within a very small area (approximately 175 m horizontally and 175 m vertically). No other drilling or trenching was conducted since the mid-1990's. Numerous high grade drill intercepts including 7.2 g/t Au over 19.4 m from 60 m downhole, 13.2 g/t Au over 5.0 m from 88 m downhole and 12.6 g/t Au over 7.0 m from 26 m downhole were recorded from the historical drilling. True width of the mineralization is estimated to be approximately 70-80% of drill intercepts.

A surface bulk sample that reportedly produced about 72kg of gold was mined and processed at the nearby Pahtavaara mill by Terra Mining OY (TM) during the 1999-2000 period. Outokumpu prepared several mineral resource estimates for the deposit based on the drilling mentioned above, the most recent of which defined 67,600 tonnes of Indicated resource grading 6.95 g/t Au using a 40g/t Au top cut and 1.0 g/t Au cutoff (Hokka, et al., 1997). This estimate is historical in nature and is not compliant with National Instrument (NI) 43-101. A Qualified Person has not done sufficient work to classify the historical estimate and Aurion is not treating this as a current resource estimate. It should therefore not be relied upon.

Historical Exploration prior to Aurion on the large **Kutuvuoma** property has largely been focused in the immediate area of the drilled deposit, with only regional scale surveys being applied to a portion of the rest of the holding.

The Company has assembled a very large land position comprising approximately 25,000 hectares west and northwest of Kutuvuoma covering many gold prospects and significant geochemical anomalies over 30 km in an east-west trend, which is now the subject of an option and earn-in agreement with B2Gold.

Field Program 2015

Two new trenches were excavated in June 2015. The first (4NA) 370 m west of the **Kutuvuoma** main zone and immediately west of Trench 4 (excavated in 2014) returned a length weighted average assay of 7.4 g/t Au over 9.6 m. Individual samples assayed from 1.8 g/t to 26.9 g/t Au as presented in the table below. The samples were collected as continuous chip-channel samples across the strike of the mineralized zone using hammer and chisel. The mineralization remains open in all directions. The length of Trench 4 was restricted by thick overburden but ended in mineralization which returned 5.3 g/t Au over 4 m. The new trench 4NA was completed with a larger excavator than the one used in 2014 and was better able to expose the mineralization.

The mineralization consists of 10-20% sulphide mineralization within silicified and altered, meta-sedimentary and meta-volcanic rocks.

A second trench was excavated approximately 720 m east of the **Kutuvuoma** main zone and 50 m east of Trench 8 (excavated in 2014) assayed 3.1 g/t Au over 5.6 m. The new trench assayed 1.4 g/t Au over 4.5 m. The samples were collected as continuous chip samples across the mineralized zone using hammer and chisel. The system remains open to the east.

Additionally, a narrow 2 cm wide extensional quartz vein with abundant visible gold cross-cuts the east-west trending main mineralized zone in a north-south direction. A selective grab sample of this vein assayed 96.9 g/t Au.

The **Kutuvuoma** mineralized corridor trends east-west. The recent observations from trenches indicate that gold mineralized structures may exist at various orientations and may be a result of multiple mineralizing events.

The fall-2015 field program was fully funded by B2Gold (see Aurion news release of January 20, 2016 for details). Fieldwork focused primarily on the high grade **Kutuvuoma** and **Ahvenjarvi** gold projects, and comprised mechanical trenching, geological mapping, prospecting, surface geochemical sampling and metallurgical testing.

Five widely spaced trench excavations were completed over a distance of approximately 1,250m with all encountering the **Kutuvuoma** mineralized horizon. A total of 255 saw-cut channel samples were collected. The best results came from Trench K15-02, a 310m^2 excavation located 370 m west of the **Kutuvuoma** main zone, where a total of 31 individual 0.85m to 3.0m long channel samples were collected, with assay values ranging from 0.39 g/t Au to 63.1 g/t Au. The best length weighted average intervals reported were 6.5 g/t Au over 9.8m, including 11.3 g/t Au over 3.0m, 21.7 g/t Au over 3.0m, including 63.10 g/t Au over 0.9 m and 3.20 g/t Au over 10.9m, including 5.0 g/t Au over 5.6 m. The T2 excavation made approximately 100m east of **Kutuvuoma** main zone, assayed on average 4.93 g/t Au over 10.94 m including 35.0 g/t Au over 1.2 m.

Prospecting approximately 1.6 km to the west and along strike of **Kutuvuoma** has identified a new zone of similar style of mineralization over a distance of approximately 400 m. The area is generally overburden covered, but 51 grab samples from outcrop and subcrop assayed up to 21.2 g/t Au, including four samples assaying 5.5, 11.6, 14.8 and 21.2 g/t Au. A 48 sample, orientation, B-horizon soil survey (100m spaced lines, 25 m spaced samples) was conducted over this new prospect with individual soil samples assaying up to 1.1 g/t Au. This mineralization also lies 500 m southeast of a 1.5 km long Au-in-till geochemical anomaly with individual tills assaying from up to 1.3 g/t Au.

The **Kutuvuoma** trend has very few natural bedrock exposures, however, with a limited amount of exploration work (and time in the field) trenching, soil sampling, base of till sampling and prospecting has defined an open-ended mineralized trend greater than 5 km long where only limited drilling was conducted in the past, over a distance of 175 m and to a depth of 175 m at the **Kutuvuoma** deposit.

Metallurgical tests were also undertaken during 2015 to examine the response of two composite surface trench samples to various processes for the concentration and recovery of the contained gold and to get a general view of the project metallurgy. The response of the samples to whole ore cyanide leaching and to concentration by froth flotation and gravity separation was examined at by SGS Canada Inc. at their Lakefield Ontario laboratory.

The samples responded well to all of the processes tested, with gold recoveries by a combination of methods in excess of 98% for both samples, including 80-84% recovery by gravity method alone. The material tested indicates the two areas tested would not require any treatment out of the ordinary. A much more extensive program would be required as the project develops.

Field Program 2016

The 2016 field program entails field mapping, prospecting, surface geochemical sampling, trenching and drilling. The inaugural drill program will commence in late summer or early fall and will focus on the greater than 5000 m long Kutuvuoma trend, which is the highest priority target area. A request for tenders has been submitted to several drilling contractors.

Reconnaissance prospecting, geological mapping and trenching are also being conducted on several other targets within the JV area of interest during this field season. Additionally, following several months of data compilation and analysis, 78 specific exploration targets have been identified. The efforts of the 2016 field program will be to ground truth, expand and/or refine many of these targets. This includes Ahvenjarvi where to date a total of 384 rock chip/grab, and channel samples collected from outcrop, sub-outcrop, angular boulders and trenches over an area measuring 2,300m long and up to 700m wide, assayed up to 28.8 g/t Au and averaging 0.81 g/t Au.

The 2016 field program is fully funded by B2Gold Corp. ("B2Gold"), under an agreement whereby B2Gold can earn up to an undivided 75% interest from Aurion in a project area of approximately 25,000 hectares in Northern Finland by completing $15 million in exploration expenditures, a positive feasibility study and issuing 550,000 B2Gold shares (see Aurion news release of January 20, 2016 for details). On the 1st Anniversary (August 12th) of the option and earn-in agreement, B2Gold will issue 100,000 B2gold shares to Aurion.

AHVENJARVI

The **Ahvenjarvi** project is located in Northern Finland, approximately 20 km west of the **Kutuvuoma** property.

The mineralization consists of a stockwork of millimeter to meter scale quartz-tourmaline-pyrite veins hosted by sandstone and conglomerate within a wide zone of strong silica and potassic (sericite and k-feldspar) alteration and brecciation with abundant iron oxide (magnetite and specular hematite) mineralization. Visible gold is common within the veins.

Field Program 2015

Limited prospecting in June 2015 identified new gold mineralization north and south of the Quinlan Zone. A total of 24 widely spaced selective rock chip samples collected from outcrop, sub-outcrop and angular boulders assayed from nil to 15.4 g/t Au with 17 assaying > 0.1 g/t and 7 assaying > 1.0 g/t Au up to 15.4 g/t Au.

According to current indications, the poorly exposed Quinlan Zone mineralized zone now has estimated dimensions of 2,300 m by 500 m and remains open in all directions.

The fall-2015 field program at **Ahvenjarvi** was also funded by B2Gold. Seven trenches were excavated at **Ahvenjarvi**. A total of 206 individual (mostly 1m-wide) channel samples were collected from the trenches. The best results include 13.6 g/t Au over 0.46m, 7.16 g/t Au over 0.91m, 8.94 g/t Au over 0.88m and 12.9 g/t Au over 0.65m.

Further prospecting and reconnaissance mapping was conducted along and within the trend and a total of 41 rock chip (grab) samples were collected from outcrop and sub outcrop. The samples assayed up to 8.1 g/t Au, with an average for all the samples of 0.57 g/t Au. To date a total of 330 rock chip/grab, and channel samples have been collected from outcrop, sub-outcrop, angular boulders and trenches over an area measuring 2,300m long and 150m to 700m wide, with assay values up to 28.8 g/t Au and an average of all samples of 0.81 g/t Au.

The area is generally poorly exposed with the majority of samples collected within this trend occurring in a “window” through the overburden. Further work to identify new zones of mineralization and controlling structures to this widespread gold system is ongoing.

OTHER Projects

The 2016 field program has begun on several of its wholly-owned, gold prospects in the Central Lapland Greenstone Belt of Northern Finland. Several of these prospects have highly anomalous gold in rock and till, with multi-km strike potential and excellent access. (See attached map). The highlights of the 2016 program so far are summarized below:

Ruoppa

The Ruoppa target now comprises an open-ended 2.3 km long by 1.3 km wide zone of anomalous gold samples, within an overall target greater than 7km long. The mineralization is hosted by a swarm of felsic dykes occurring along the sheared/faulted margin of a granitoid body. The association of quartz-carbonate veins with free gold and high bismuth within felsic dykes is very similar to Agnico Eagle's Kuotko gold deposit (1.8 million tonnes grading 2.9 g/t Au; see Agnico Eagle Annual Report), of which Ruoppa is contiguous to.

To date in 2016, prospecting and reconnaissance geological mapping has expanded the scale of the Ruoppa prospect to more than 2.3 km long by 1.3 km wide. Additionally, a new target area with similar style mineralization has been identified up to 3 km northeast of this primary target area. Analytical results have been received from 66 rock chip samples collected from outcrop, sub outcrop and angular boulders assaying from nil to 14.4 g/t Au including 17 samples which assayed greater than 1.0 g/t Au. The average grade of all 66 samples was 1.03 g/t Au. The mineralization consists of narrow mm to < 1 m wide quartz-carbonate veins with minor sulphides, free gold and a geochemical association with highly anomalous bismuth. Since generating this prospect a total of 156 rock chip samples have been collected by Aurion personnel. The assays range from nil to 30.7 g/t Au including 38 which have assayed greater than 1.0 g/t Au with the average of all samples 1.08 g/t Au. Analytical results are pending for an additional 94 samples. The mineralization is hosted by a swarm of felsic dykes occurring along the sheared/faulted margin of a granitoid body. The association of quartz-carbonate veins with free gold and high bismuth within felsic dykes is very similar to Agnico Eagle's Kuotko gold deposit.

Agnico is currently exploring Kuotko as a potential satellite open pit. Agnico reported completing approximately 7,300m of drilling in 2015, identifying new mineralized zones outside of the known mineral resource areas. Agnico established a Mining Lease in early 2015 and studies are being carried out to assess the viability of mining the deposit (Agnico Eagle Press Release dated Feb 10, 2016). Historical drill intercepts of 17.5 g/t Au over 5.0m and 23.5 g/t Au over 3.0m have been reported.

Risti

Further prospecting in 2016 has expanded the zone of mineralization discovered in 2015 to a distance greater than 1.7 km. To date a total of 101 rock samples from outcrop, sub outcrop and angular boulders, assayed nil to 22.3 g/t Au including 29 of which assayed greater than 0.4 g/t Au and 13 greater than 1 g/t Au. The average of all samples is 0.7 g/t Au. The gold mineralization occurs within quartz-iron oxide veins and breccias within altered meta-sediments.

The Risti target is located approximately 13km east of the Company's Kutuvuoma property, which is under joint venture to B2Gold. The property hosts the Kaarestunturi prospect, which was discovered by the Geological Survey of Finland who completed various studies including 5 shallow diamond drill holes within a small area returning up to 5.2 g/t Au over 5.0m.

Sila

The Sila target covers approximately 11km along the northern strike extension of the Hanhimaa Shear Zone (HSZ), within sheared meta-volcanics and meta-sediments sandwiched between two large intrusive bodies. The HSZ south of Sila hosts several gold occurrences, which have reported drill intersections of 4.5 g/t Au over 11.7m and 5.9 g/t Au over 7.5m (Agnico Eagle Annual report).

Aurion has identified mineralization in quartz veins and silicified meta-volcanic and meta-sedimentary rocks and rock float samples collected over a distance of 6.5km ranged from nil to 219 g/t Au and nil to 5410 ppm As. Numerous till samples assayed up to 0.7 g/t Au within this trend and up to 1.12 g/t Au elsewhere on the property. Assay results from reconnaissance prospecting, and overburden sampling so far in 2016 returned anomalous values in gold and arsenic. The area is heavily covered and further surficial geochemical sampling is planned.

Rova

Rova comprises a 7km long by 1km wide zone of sheared meta-volcanic and meta-sedimentary sandwiched between two large intrusive bodies. Historical work by the state mining company Outukumpu in the late 1980's highlights an approximately 6km long section with anomalous gold (and copper) in till with individual till samples assaying up to 4.0 g/t Au. The mineralization comprises quartz-carbonate vein sets in sulphide-rich metasedimentary rock, in the contact zone between meta-volcanic rocks and intrusives. Five shallow drillholes were completed in 1987, within a small area, with a best result of 2.1 g/t Au over 1.2m. No other exploration work has been documented since. Assays results are pending from reconnaissance prospecting.

New Exploration Tenements

In Q2, Aurion Resources was granted an additional 225,000 hectares of exploration licences prospective for precious and base metals in Northern Finland. Reconnaissance exploration on these will begin in September.

Summary

Outside of operating the joint venture with B2Gold at Kutuvuoma and Ahvenjarvi, the primary focus of our efforts so far this year have been on Ruoppa, where we continue to expand the size of the system and outline new high grade gold mineralization. Only limited time has been spent on our other targets. Given the poor exposure across the Central Lapland Greenstone Belt Aurion has been quite successful in identifying new and expanding existing zones of mineralization across is portfolio.

Since its first acquisition in Finland in mid-2014, Aurion has acquired a large database and land position north and south of Kittila, Europe's largest gold mine (7.7 Moz gold; Agnico Annual Report). The limited amount of fieldwork completed to date has already generated several exciting gold projects, clearly demonstrating the prospectivity of Aurion's holdings. It has also been successful in attracting B2Gold Corp., one of the most well-respected exploration and mining companies in Canada, to jointly explore the Kutuvuoma and Ahvenjarvi projects within a large approximately 25,000 hectare area. Aurion is seeking additional creative partnerships to advance these exciting opportunities in one of the most geologically favourable, underexplored and stable locations in the world.

UNITED STATES

LOGAN PASS

On November 9, 2010, the Company acquired a gold property called **Logan Pass**, in Lincoln County, Nevada. The Company signed an agreement with a private company, Genesis Gold Corp. ("Genesis"), whereby the Company has a 15 year lease with an option to purchase a 100% interest in 8 unpatented claims by making annual lease payments starting at US$25,000 and increasing to US$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US$3,000,000 cash payment less any payments already made. Genesis shall retain a 2% NSR. The underlying agreement payment schedule was amended during October 2013 and 200,000 common shares were issued as compensation for the amendment. The agreement was amended a second time in March 2015 to reduce future payments and issue a total of 400,000 common shares as compensation for the reduction of lease payments. The Company issued 200,000 shares to Genesis on July 6, 2015 pursuant to this amendment. In September 2015 the Company abandoned the **Logan Pass** property and the agreement with Genesis was terminated.

In 2011, the Company also acquired a 100% interest in one individual claim from a private individual and additional claims by direct staking. The **Logan Pass** property was reduced in 2013 to 252 claims in total, the agreement with a private individual was terminated and a corresponding write-down is reflected in the financial statements. The property was further reduced in 2014 to 147 claims in total with a corresponding write-down reflected in the financial statements at December 31, 2014. The Company decided to abandon its interest in the **Logan Pass** property in September of 2015 and all remaining costs associated with the property were written down.

BULL

On January 6, 2011, the Company signed an Option Agreement with Genesis, whereby it has an option to purchase a 100% interest in 16 unpatented claims, subject to a 2% NSR, by making annual cash payments starting at US$10,000 (paid) increasing to a maximum US$125,000 beginning in year 6. The option to purchase can be executed at any time by making a one-time US$3,000,000 cash payment less any payments already made. The Company also staked an additional 283 claims covering prospective geology surrounding these claims.

On November 15, 2012, the Company signed a definitive "Exploration, Development and Mine Operating" agreement with Midway Gold US Inc. ("Midway") on the **Bull** project. Under the terms of the agreement Midway can earn an initial 50% interest by completing $2,000,000 in exploration expenditures over 5 years, upon which it can elect to either declare a 50-50 agreement or spend a further $2,000,000 over 2 years to earn an additional 20% for a total 70% interest. Midway can also earn an additional 5% (75% total) by arranging mine financing. Midway will also maintain the underlying Option Agreement and make all claims maintenance fees through the agreement. Midway also reimbursed the Company for claims maintenance fees paid in September 2012, of approximately $53,000. This agreement remains in full force and effect. To date Midway has only completed surface exploration including some mapping and geochemical sampling.

On December 17, 2015 the Company signed a Letter Agreement to amend the terms of the Option Agreement entered into with Genesis. Under the terms of the amendment, the lease payment for 2016 will be reduced to US$10,000 and the lease payments for the years 2017 through 2027 will remain at US$125,000 per year. As at December 31, 2015, the Company was in compliance with the terms of the agreement.

The **Bull** property is located in east-central Nevada, approximately 31 km southeast of Eureka, on the southern extension of the prolific Battle Mountain-Eureka Trend, approximately 6 km east of the Pan gold deposit owned by Midway.

The property hosts several small outcrops of gold-bearing jasperoid in a shallow pediment at the contact between the Joanna Limestone and Chainman Shale. In 1992, BHP drilled 7 shallow reverse circulation holes. The best intercept was 3 m of 2.05 g/t Au within a 9.15 m intercept grading 1.15 g/t Au starting at approximately 15 m below the surface. Gold mineralization is associated with low silver, high antimony, arsenic and mercury values typical of the geochemical signature in Carlin-style mineral deposits. The area characterized by shallow cover amenable to surface geochemistry and geophysics.

MEXICO

The Company abandoned its exploration activities in Mexico during 2013 and all associated costs were written down however the Company continues to keep in good standing two mineral concessions that were part of the original land position and purchased from a private individual in May and November of 2010.

The Company has no immediate plans to restart operations in Mexico. Costs associated with maintaining the two mineral concessions are written down each year until such time as the Company decides to recommence exploration activities.

CANADA

LAVINGTON

On October 10, 2013, the Company sold its interest in the **Lavington** property to Asher Resources Corp for 650,000 Asher shares and retains a 2% NSR.

Qualified Person

Mike Basha, P. Eng., P. Geo., President and CEO of the Company, a Qualified Person as defined by NI43-101, is responsible for the preparation of the foregoing property reports.

Selected Annual Financial Information

	2015 $	2014 $	2013 $
Total income	32,070	11,490	198,066
Operating expenses	1,353,238	1,084,406	1,535,656
Net loss	1,321,168	1,072,916	1,337,590
Loss per share	0.03	0.03	0.03
Total assets	1,628,667	2,476,438	3,320,014
Long term liabilities	-	-	-
Dividends	-	-	-

Quarterly Information

	($) Write-down of exploration and evaluation assets	($) Other expenses	($) Interest & Other Income	($) Net Loss	($) Basic & Diluted Loss per Share
IFRS					
Q2 - June 30, 2016	995	103,236	17,776	(86,455)	(0.002)
Q1 - March 31, 2016	4,052	266,447	14,731	(255,767)	(0.006)
Q4- December 31, 2015	11,977	126,787	19,734	(119,030)	(0.003)
Q3 - September 30, 2015	766,251	158,893	11,354	(913,790)	(0.002)
Q2 - June 30, 2015	778	143,455	73	(144,160)	(0.003)
Q1 - March 31, 2015	5,063	140,034	909	(144,188)	(0.003)
Q4 - December 31, 2014	2,692	175,913	1,042	(177,563)	(0.004)
Q3 - September 30, 2014	213,271	138,618	2,402	(349,487)	(0.01)

Results of Operations

	Three months ended June 30,		**Six months ended June 30,**	
	2016	2015	**2016**	2015
	$	$	**$**	$
General and Administrative	**32,306**	50,470	**74,819**	109,039
Wages and benefits	**36,975**	56,287	**80,472**	112,241
Consulting fees	**10,050**	18,250	**14,850**	40,075
Professional fees	**10,321**	4,607	**25,471**	11,659
Share based payments	**-**	-	**145,897**	-
Write-down of exploration and evaluation assets	**995**	778	**5,047**	5,841
Accounting	**1,687**	5,662	**3,976**	6,877
Depreciation	**789**	1,643	**1,720**	3,287
Interest and bank charges	**10,232**	1,832	**19,426**	3,119
Unrealized (gain) loss on marketable securities	**-**	4,140	**-**	-
Foreign exchange (gain) loss	**876**	565	**6,942**	(2,808)
Gain on sale of marketable securities	**-**	-	**(3,891)**	-
	104,231	144,234	**374,729**	289,330
Investment and other income	**17,776**	73	**32,507**	981

-Write-down of exploration and evaluation assets is higher by $217 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and lower by $217 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015.

- Wages and benefits are lower by $19,312 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and lower by $31,769 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This is due mainly to wage expenses for the CEO that were capitalized in property expenditures in the current year.

- General and administrative costs have decreased by $18,164 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and decreased by $34,220 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This is due mainly to costs associated with corporate travel and attendance at conferences in the prior year.

- Consulting fees are lower by $8,200 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and lower by $25,225 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This is due mainly to the retention of a consultant for marketing and promotion in the prior year.

-Professional fees are higher by $5,714 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and higher by $13,812 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This is due mainly to legal fees incurred for current property agreements.

-Share based payments expense is higher by $145,897 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This is due to stock options issued to Directors, officers and consultants in the first quarter 2016. There were no stock options issued in the year 2015.

- Total expenses are lower by $40,003 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 mainly due to lower general and admin costs incurred in the current quarter. Total expenses are higher by $85,399 for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 due mainly to the share based payments expense recorded in the first quarter.

-Investment and other income was higher by $17,703 for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 and higher by $31,526 for the six months ended June 30, 2016 compared to the six months ended June 30, 2016 due to administration fee income paid to the Company by its current exploration partner.

Financial Condition / Liquidity / Capital Resources

The Company had cash of $69,538 at June 30, 2016 compared to cash of $11,066 as at December 31, 2015. Current liabilities include $388,000 of promissory notes repayable to the CEO and a shareholder of the Company, to be repaid once the Company has secured financing. See **Promissory Notes.** During the year, an agreement was signed with B2Gold on several of the Company's properties in Finland. The signing of this agreement will provide a limited source of working capital and will assist the Company in seeking further financing. (See **Financial Risk Factors** – *Liquidity Risk*)

On January 6, 2015, the Company issued 1,000,000 common shares to Dragon valued at $0.05 per share as the third payment due for the purchase of the Kutuvuoma and Sila projects in Finland.

On March 11, 2015, the Company issued 1,000,000 common shares to AA valued at $0.05 per share for the purchase of two land tenements in Northern Finland.

On March 24, 2015, the Company issued 250,000 common shares to Dragon valued at $0.05 per share as compensation for amendments to the original terms an Option Agreement for the purchase of the Kutuvuoma and Sila projects in Finland.

On July 6, 2015, the Company issued 200,000 common shares to Genesis valued at $0.05 per share as compensation for amendments to the original Purchase Agreement for the Logan Pass property.

On December 6, 2015, the Company issued 760,000 common shares valued at $0.05 per share to an arms-length contractor to settle certain trade payables.

On April 29, 2016, the Company issued 1,476,750 common shares valued at $0.13 per share as a finders' fee for the B2Gold agreement.

On May 20, 2016, the Company issued 2,500,000 common shares to Dragon valued at $0.05 per share as the final instalment of shares due for the purchase of the Kutuvuoma and Sila projects in Finland.

On January 19, 2016 the Company granted 2,700,000 fully vested stock options to directors, officers and consultants at an exercise price of $0.10 per share.

The Company is currently seeking additional financing in order to ensure continued exploration activities and to finance administration costs. In the interim, certain shareholders of the Company will continue to loan funds to the Company until the financing is completed.

Outstanding Share Data

As at June 30, 2016, the following were outstanding:

48,727,391common shares
-Nil- warrants
3,262,500 stock options

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The following represents a summary of transactions with key management of companies controlled by key management of the Company:

	Three months ended June 30,		Six months ended June 30,	
	2016	**2015**	**2016**	2015
	$	$	**$**	$
Paid to D.R. Loveys & Associates Inc., a company controlled by the CFO:				
Accounting and management consulting services provided by the CFO	**10,050**	8,250	**14,850**	15,075
Amounts expensed as:				
Consulting Fees	**10,050**	8,250	**14,850**	15,075
Paid to McInnis Cooper LLP , a company in which a Corporate Director is a partner:				
Legal services provided by a Director	**-**	-	**-**	1,125
Amounts expensed as:				
Professional fees	**-**	-	**-**	1,125
Compensation for key management personnel not included above:	**32,500**	32,500	**65,000**	65,000
Amounts expensed as:				
Salary and other short term benefits for the CEO	**12,100**	32,500	**29,600**	65,000
Capitalized in exploration and evaluation assets	**20,400**	-	**35,400**	-
	32,500	32,500	**65,000**	65,000
Received from Michael Basha, CEO of the Company	**-**	25,000	**-**	25,000
Received from a shareholder	**55,000**	75,000	**105,000**	75,000
	55,000	100,000	**105,000**	100,000
Amounts disclosed as:				
Promissory Notes	**55,000**	25,000	**105,000**	25,000

Promissory Notes

The Company has received total promissory notes of $388,000. Of the total received, $48,000 was from the Company's CEO and the remaining $340,000 was from Lotan Holdings Inc., a Shareholder who became a reporting insider of the Company on May 30, 2016. Pursuant to the terms of the notes, they bear interest at 10% per annum, are unsecured and will be repaid by the Company on successful completion of a financing.

Interest expense of $ 17,183 is included in interest and bank charges in the financial statements for the three months ended June 30, 2016. At June 30, 2016, a total of $28,635 of accrued interest has been included in trade payables and accrued liabilities.

The following provides details of promissory notes and interest payable for the periods indicated:

As at June 30, 2016

	Balance, beginning of period	**Notes received**	**Interest accrued**	**Payments**	**Balance, end of period**
	$	**$**	**$**	**$**	**$**
CEO	**49,699**	**-**	**2,509**	**-**	**52,208**
Shareholder	**244,753**	**105,000**	**14,674**	**-**	**364,427**
	294,452	**105,000**	**17,183**	**-**	**416,635**

As at December 31, 2015

	Balance, beginning of period	Notes received	Interest accrued	Payments	Balance, end of period
	$	$	$	$	$
CEO	-	48,000	1,699	-	49,699
Shareholder	-	235,000	9,753	-	244,753
	-	283,000	11,452	-	294,452

Future Accounting Changes

The following standard is effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company has not early adopted this standard and is currently assessing the impact it will have on the consolidated financial statements.

IFRS 9 - *Financial Instruments* - A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement has been issued and is effective for annual periods beginning on or after January 1, 2018. The standard contains requirements in the following areas: classification and measurement, impairment, hedge accounting and de-recognition. IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before February 1, 2015.

IFRS 15 – Revenue from Contracts with Customers – The new standard replaces IAS 11 – Construction Contracts, IAS 18 – Revenue and IFRIC 13 – Customer Loyalty Programs, as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model to account for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 also includes enhanced disclosure requirements. It will be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

IFRS 16 – Leases – The new standard replaces IAS 17 – Leases and related interpretations. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is twelve months or less or the underlying asset has low value. It will be applied retrospectively for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15 has also been applied.

Financial Risk Factors

The Company's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. A summary of the major financial instrument risks and the Company's approach to the management of these risks are highlighted below.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables, which is mainly comprised of government tax refunds. Management believes that the credit risk concentration with respect to financial instruments included in the receivables is not significant. The Company holds cash and invests it in interest bearing deposit accounts at its financial institution. Management believes that the associated credit risk for its invested cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at December 31, 2015, the Company had cash of $69,538 to settle current liabilities of $651,454, however, $388,000 of the current liabilities is owed to the CEO and a shareholder of the Corporation, to be repaid once the Company has secured financing. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity or partnering transactions. All of the Company's financial liabilities are short-term in nature and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. An agreement has been signed with B2Gold in regards to certain of the Company's Finnish mineral properties. This agreement will provide a limited source of working capital and will assist the Company in seeking further financing. A financing is currently being contemplated. In the interim certain shareholders have agreed to continue to loan funds to the Company until a financing is completed.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances subject to interest rate risk. The Company's current policy is to invest excess cash in either interest bearing deposit accounts or short-term deposit certificates issued by its financial institutions. As of June 30, 2016, the Company held a deposit in a short-term savings account at a variable interest rate. A 0.5% change in interest rates would change the Company's net loss by approximately $348. Management believes it has minimal exposure to interest rate risk.

(b) Foreign exchange risk - The Company transacts certain business in Euro, U.S. Dollars and Mexican Pesos, and therefore is subject to foreign exchange risk on certain receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its foreign exchange inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal. The following table shows the net exposures in US dollars and Euro.

	June 30, 2016 $US	December 31, 2015 $US	**June 30, 2016 Euro**	December 31 2015 Euro
Cash	**47**	306	**46,775**	1,168
Trade payables	**(870)**	-	**(121,432)**	(41,865)
Net currency exposure	**(823)**	306	**(74,657)**	(40,697)

Based upon the above net exposures to the Euro and US dollar, as at June 30, 2016, a 10% change in the value of the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately $82 and a 10% change in the value of the Euro to the Canadian dollar exchange rate would impact the Company's net loss by approximately $7,466.

Accounting Estimates

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods:

Exploration and evaluation assets
The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate that the carrying value may be impaired, at which time an impairment loss is recorded.

Receivables
The Company reviews its receivables on a regular basis and makes estimates of any amounts which are not expected to be collected. If such doubt exists, an allowance for doubtful accounts will be recorded.

Property and equipment
The Company reviews the estimated useful lives of property and equipment at the end of each reporting period to ensure assumptions are still valid.

Share-based payments
The Company makes certain estimates and assumptions when calculating the fair values of stock options and warrants granted. The significant assumptions used include estimates of expected volatility, expected life and the expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

Functional currency
The Company has determined the functional currency of each entity is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Going concern
The Company must assess its ability to continue as a going concern. Factors that affect this determination include current cash and investments, budgeted expenditures for future periods and the conditions of the market for exploration companies.

Management's Responsibility for Financial Statements

The Board of Directors carries out its responsibility for the consolidated financial statements primarily through the audit committee which is composed primarily of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

Risks and Uncertainties

The Company is principally involved in mineral exploration which is an inherently high-risk activity. Exploration is also capital intensive and the Company has no sources of funding other than exploration partner financing arrangements with other mining and exploration companies and equity financing. Only the skills of management and staff in mineral exploration and exploration financing serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to attract partners and to raise financing.

The Company is currently evaluating its properties and looking for new business opportunities and has a risk of not finding any property or investment that may lead to profitable operations. There can be no assurances that the shareholders will realize any profits from their investment in the Company and may lose their entire investment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. Exploration activity is also dependent on the laws of local governments which may change from time to time, and may have an effect on the Company's exploration programs.

Additional Information

The Company's shares are traded on the TSX Venture Exchange under the stock symbol AU. Financial statements, press releases issued by the Company and all other regulatory filings, including those issued during the six months ended June 30, 2016, are available through www.sedar.com.