AURORA ROYALTIES INC. (Formerly Amato Exploration Ltd.)
MANAGEMENT'S DISCUSSION & ANALYSIS OF OPERATIONS - FORM 51-102F1
FOR THE SIX MONTHS ENDED MAY 31, 2019

This Management's Discussion and Analysis ("MD&A"), prepared as of July 16, 2019, reviews the financial condition and results of operations of Aurora Royalties Inc. ("Aurora" or the "Company") for the six months ended May 31, 2019, and other material events up to the date of this report. The following discussion should be read in conjunction with the Company's November 30, 2018 audited annual financial statements and related notes prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars, the Company's reporting currency, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, the Company's plans to acquire mineral properties, the Company's exploration programs, the Company's future plans for its exploration properties and the Company's plans with respect to financing activities. In making these forward-looking statements, the Company has applied several material assumptions, including, but not limited to, the assumption that any additional financing needed will be available on reasonable terms, and the assumption that a sudden change in foreign exchange rates would not materially affect the results of operations, financial position and cash flows as the Company currently has no transactions denominated in foreign currencies. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: the execution and outcome of current or future exploration activities; information included or implied in the various independently produced and published technical reports; anticipated drilling and resource estimation plans; cash flow projections; currency fluctuations; and other general market and industry conditions as well as those factors discussed in the section entitled "Risks and Uncertainties" in each management discussion and analysis, available on SEDAR at www.sedar.com.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive from them.

Except as required by law, the Company disclaims any intention and assumes no obligation to update any forward-looking statements, even if new information becomes available, as a result of future events or for any other reason. Risks that could cause the Company's actual results to materially differ from its current expectations are described in this document.

DESCRIPTION AND OVERVIEW OF BUSINESS

Aurora Royalties Inc. ("Aurora" or the "Company") was incorporated as Amato Exploration Ltd. on February 26, 2007, under the laws of the province of British Columbia, Canada, and its principle activity is the acquisition and exploration of mineral properties. The Company's common shares are listed on the NEX Board of the TSX Venture Exchange under the symbol "AUR.H". The head office of the Company is 15 Polson Street, Toronto, Ontario M5A 1A4.

The Company is in the business of acquiring, exploring and evaluating mineral properties worldwide. As a result of the current low valuation of precious metal reserves, Aurora has initiated a strategy to aggressively identify and seize opportunities to acquire such reserves on a long-term horizon. The Company intends to inventory and strategically develop each prospective project paying particular attention to acute project development timing, minimizing dilution to shareholders and conceiving executable exit strategies.

Currently the Company holds no interest in any resource properties and continues to search and evaluate prospective opportunities. Therefore, there are no producing properties, and consequently the Company has only interest revenue and has negative cash flows. In the past, the Company has accessed, and in the future will continue to access, the equity markets to raise the funds needed to continue to conduct property investigation activities to acquire economically viable mineral properties, to conduct exploration programs on its various property holdings, once acquired, and to meet its ongoing working capital requirements.

GOING CONCERN UNCERTAINTY

The challenges of securing requisite funding beyond May 31, 2019 and the continued estimated operating losses cast a significant doubt on the Company's ability to continue as a going concern. The statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

RESULTS OF OPERATIONS

The Company has no producing properties and has not earned any revenue to date other than nominal interest from its cash balances. The Company is continuing to search for prospective properties and opportunities while maintaining a practical cash burn in order to meet its near term financial commitments.

For the three months ended May 31, 2019 ("Q2 2019"), the Company reported a net and comprehensive loss of $(14,248) or $(0.00) per share compared to $(15,361) or $(0.00) loss per share for the same three month period in 2018 ("Q2 2018"). The net and comprehensive loss for the six months ended May 31, 2019 (YTD 2019) totaled $(29,062) or $(0.00) per share compared to $(149,538) or $(0.00) per share for the six months ended May 31, 2018 (YTD 2018). The $1,113 decrease in the net and comprehensive loss for Q2 2019 from Q2 2018 is due to the lower professional fees and filing a transfer agent fees which were only partially offset by lower interest income. The $120,476 decrease for YTD 2019 from YTD 2018 is primarily due to the stock-based compensation expense of $114,970 in YTD 2018, as well as lower professional fees, office and general, and filing and transfer agent fees. Cash outflows from operations for YTD 2019 were $38,653 compared to $46,656 for YTD 2018.

Expenses

Stock-based compensation expense for Q2 2019 and YTD 2019 were $Nil, compared to Q2 2018 and YTD 2018 of $Nil and $114,970 respectively. Rent expense for Q2 2019 and YTD 2019 were $6,000 and $12,000 respectively, remaining constant from Q2 2018 and YTD 2018. Filing and transfer agent fees decreased by $383 from Q2 2018 to Q2 2019 and decreased by $329 from YTD 2018 to YTD 2019. Management and consulting fees for Q2 2019 and YTD 2019 remained consistent from Q2 2018 and YTD 2018, at $3,000 and $6,000 respectively. The management fee as a whole represents the level of support required to maintain the Company in good standing with the securities regulators while it completes its search to acquire economically viable mineral properties that are aligned with the Company's strategic vision. Professional fees for Q2 2019 and YTD 2019 were $2,500 and $5,000 which is an decrease from Q2 2018 and YTD 2018, at $3,051 and $9,943 respectively. Office and general expenses for Q2 2019 was $68 and YTD 2019 was $86, decreasing from Q2 2018 at $405 and YTD 2018 at $527. Management believes it will continue on the same level of cash burn for the next fiscal year subject to increase if it acquires a mineral property. The Company believes it has enough cash reserves to continue in operations for the next fiscal year.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenue	Net income (loss)	Net (loss) per share – basic and diluted
May 31, 2019	$966	$ (14,248)	$(0.00)
February 28, 2019	$1,049	$ (14,814)	$(0.00)
November 30, 2018	$1,134	$ (14,807)	$(0.00)
August 31, 2018	$1,152	$ (16,489)	$(0.00)
May 31, 2018	$1,124	$ (15,361)	$(0.00)
February 28, 2018	$1,098	$ (134,177)	$(0.00)
November 30, 2017	$985	$ (13,037)	$(0.00)
August 31, 2017	$654	$ (18,527)	$(0.00)

It is the nature of junior exploration companies, as with the Company, that there are no sales or revenues, other than nominal interest from its cash balances. There can be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. Mineral expenditures can vary from quarter to quarter depending on when option payments are due and the stage of the exploration program (e.g. drilling may slow down for a period of time while results are analyzed, resulting in lower costs during that period). Additionally, the granting of incentive stock options, which results in the recording of amounts for stock-based compensation can be quite large in relation to other general and administrative expenses incurred in any given quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash flow. The Company's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors that are beyond the control of the Company.

In order to finance its exploration activities and corporate overhead, the Company is dependent on investor sentiment remaining positive towards the exploration business generally, and towards Aurora in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment which include, but are not limited to, a positive climate for mineral exploration, a company's track record and the experience and caliber of a Company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. The financial statements do not include any adjustments that might result from the going concern uncertainty.

The interim financial statements of the Company for the six months ended May 31, 2019 were prepared on the assumption that the Company will be able to realize its assets, discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, the financial statements do not include any adjustments to the recoverability and reclassification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The company's commitments include rental payments and consulting services fees. The rental payments total $2,000 per month, payable on a month-to-month basis, and compensation for consulting services total $1,000 per month, which may be terminated at any time with provision of one month notice.

To date, the Company has financed its activities through brokered and non-brokered private placements and its initial public offering. Debt financing has not been used to fund property acquisitions and exploration and the Company has no current plans to use debt financing to fund these activities.

Cash and Financial Condition

The Company's cash and cash equivalents balance was $260,070 as at May 31, 2019 compared to $298,723 at November 30, 2018. The decrease of $38,653 was due to the net loss and changes in other working capital items.

The Company had working capital of $255,208 as at May 31, 2019 compared with working capital of $284,270 as at November 30, 2018. The decrease in the working capital of $29,062 is due to operational expenditures.

The Company's financial instruments are cashable at any time and, as such, there are no restrictions on availability of funds. The Company does not have any lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements. The Company does not use hedges or other financial derivatives.

Investing Activities

For the six months ended May 31, 2019, the Company did not incur any mineral property expenditures.

Financing Activities

During Q2 2019 and Q2 2018 and YTD 2019 and YTD 2018, the Company did not conduct any brokered or non-brokered financings as it had sufficient cash on hand to satisfy its near-term obligations. The Company has continued to evaluate its current project proposals to determine its funding requirements for the next 12 - 18 months.

Disclosure of Outstanding Share Data

At the date of this MD&A, the Company had 40,486,656 common shares issued and 2,500,000 stock options outstanding.

Outlook

The Company expects that its current capital resources will be sufficient to support existing administrative and operational costs for the next twelve months. Upon the completion of a successful negotiation of a new property acquisition, management will determine if additional equity or other non-dilutive financing is required to meet the Company's financial commitments going forward. If additional financing is required, there is no assurance that working capital together with equity market financings will be adequate or viable to fund the Company's financial obligations, given the volatility experienced in the global securities markets during the past few years. These financial obligations include, but are not limited to, property acquisition and related exploration activities; payments pursuant to the terms of property acquisition agreements; and, corporate overhead.

While the financial statements for the six months ended May 31, 2019 were prepared on the basis of accounting principles applicable to a going concern, current market conditions, including limited availability of financing opportunities, cast substantial doubt upon the validity of this assumption.

Due to the current low valuation of precious metal reserves, Management and the Board of Directors are in the process of identifying opportunities to acquire such reserves, with the intent to develop each prospective project, add shareholder value and, ultimately, executable and profitable exit strategies.

TRANSACTIONS WITH RELATED PARTIES

Included in expenses are the following transactions with certain officers and companies controlled by directors of the Company:

	Three Months Ended May 31, 2019	Three Months Ended May 31, 2018	Six Months Ended May 31, 2019	Six Months Ended May 31, 2018
Consulting Fees	$ 3,000	$ 3,000	$ 6,000	$ 6,000
Rent	6,000	6,000	12,000	12,000
	$ 9,000	$ 9,000	$ 18,000	$ 18,000

(a) Consulting fees are paid to key management personnel as compensation for their services. These personnel consist of the CEO and CFO.
(b) The Company rents its office space from Sheridan Brothers LP on a month-to-month basis. This entity is related to the corporation through common officers and directors.

SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and Outstanding

As of May 31, 2019, there were 40,486,656 issued and outstanding common shares (2018 – 40,486,656 shares).

(c) Stock Options

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to the directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The board of directors has discretion to the number, vesting period and expiry date of each option award.

During the six months ended May 31, 2019 and 2018, the Company recognized total stock-based compensation expense of $Nil (May 31, 2018 - $114,970).

The following is a summary of the Company's transactions in stock options:

	May 31, 2019		November 30, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance – Beginning of quarter/year	2,500,000	0.06	-	-
Granted (i)	-	-	2,500,000	0.06
Expired	-	-	-	-
Balance – end of quarter/year	2,500,000	0.06	2,500,000	0.06

(i) On February 6, 2018, the Company granted 2,500,000 stock options with an exercise price of $0.06 per option, and which expire on February 6, 2023. The options vested immediately and are each exercisable into one common share.

Options granted are accounted for by the fair value method of accounting for share-based payments. The Company records share-based payments expense over the vesting period and credits reserves for all options granted.

The fair value of the options granted was estimated at the grant date using the following weighted average assumptions:

		2018
Share price	$	0.05
Expected volatility		158%
Dividend yield		0.0%
Risk-free interest rate		2.11%
Expected life		5 years

The expected volatility is based on management's estimate of the volatility in the Company's share price over the life of the options. The Company has not paid any cash dividends historically and does not have any plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian benchmark bonds with an equivalent term to maturity. The expected life of the options is based on management's estimate of the time that the options will be outstanding.

The fair value per stock option granted during the quarter ended February 28, 2018 was calculated as $0.0460. Share-based compensation expense for options vested during the quarter ended February 28, 2018 was $114,970.

The Company had the following stock options outstanding and exercisable as at May 31, 2019:

Number of Options Outstanding and Exercisable	**Exercise Price**	**Expiry Date**	**Weighted Average Remaining Contractual Life**
2,500,000	$0.06	February 6, 2023	3.69 years

(d) Basic and Diluted Loss Per Share

Numerator:	**May 31, 2019**	**May 31, 2018**
Net loss	$ (29,062)	$ (149,538)

Denominator:	**May 31, 2019**	**May 31, 2018**
Weighted average number of shares outstanding - basic	40,486,656	40,486,656
Weighted average number of stock options outstanding	-	-
Weighted average number of shares outstanding - diluted	40,486,656	40,486,656

Loss per share:	**May 31, 2019**	**May 31, 2018**
Basic and diluted	$ (0.00)	$ (0.00)

All outstanding stock options have been excluded from the calculation of diluted loss per share, as they are anti-dilutive for the above periods presented.

(e) Maximum Share Dilution

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options were exercised as at May 31, 2019 and May 31, 2018:

	May 31, 2019	May 31, 2018
Common shares outstanding	40,486,656	40,486,656
Stock options outstanding	2,500,000	2,500,000
Fully diluted common shares outstanding	42,986,656	42,986,656

RISKS AND UNCERTAINTIES

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable resource. Exploration activities are also expensive. Exploration activities are subject to environmental risks. There can be no assurance that the Company's working capital will be sufficient to reclaim potential environmental liability created by exploration. The Company currently has limited working capital and incurs significant expenses on an on-going basis by virtue of being a public company, and this represents a significant risk factor. The Company will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. The Company disclaims any obligation to revise any forward-looking statements as a result of information received after the fact or regarding future events except as required by law.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of judgment considered by management in preparing the financial statements are as follows:

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and the financial statements continue to be prepared on a going concern basis. However, material uncertainty exists that casts significant doubt upon the Company's ability to continue as a going concern.

Accrued Liabilities

Accrued liabilities are recorded based on an estimate of unbilled work performed by the Company's vendors as well as any other payments which the Company will be required to make in relation to the current year's operations. Management makes these estimates based on historical billings and its knowledge of current operations. These estimates will affect the reported amounts of accrued liabilities and general expenses.

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

Stock-based Compensation Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with remaining maturities of less than three months at the date of acquisition. Cash and cash equivalents include accrued interest on short-term investments.

Financial Instruments

(i) Classification:

Cash equivalents and other current assets are classified as loans and receivables and are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost using the effective interest method.

(ii) Financial instruments at amortized cost:

Financial assets that are managed to collect contractual cash flows on specified dates are classified as subsequently measured at amortized cost using the effective interest method. These financial assets are recognized initially at fair value plus directly attributable transaction costs.

Financial assets at amortized cost are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired, the impairment provision is based upon the expected loss.

Financial liabilities, other than those classified as FVTPL are classified as subsequently measured at amortized cost using the effective interest method. These financial liabilities are recognized initially at fair value net of directly attributable transaction costs.

The effective interest method is a method for calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no material off-balance sheet arrangements.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Aurora can be found on the SEDAR website at www.sedar.com.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Analysis of Operating Expenses

	Three Months Ended May 31, 2019	Three Months Ended May 31, 2018	Six Months Ended May 31, 2019	Six Months Ended May 31, 2018
Operating Expenses				
Stock-based compensation expense				114,970
Rent	6,000	6,000	12,000	12,000
Management and Consulting Fees	3,000	3,000	6,000	6,000
Professional Fees	2,500	3,051	5,000	9,943
Filing and Transfer Agent Fees	3,646	4,029	7,991	8,320
Office and General	68	405	86	527
Total Operating Expenses	$ 15,214	$ 16,485	$ 31,077	$ 151,760