

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations for Aurex Energy Corp. (formerly Canadian Platinum Corp.) (the "Corporation") is dated December 29, 2020 and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2019, together with the accompanying notes thereto.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management quarterly to review the consolidated financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

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

Forward-looking Statements

This MD&A may contain certain forward-looking statements with respect to the Corporation. These forward-looking statements are subject to both known and unknown risks and uncertainties which may cause actual results, performances or achievements to be materially different from those contemplated by such forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The Corporation does not, except as required by law, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Aurex Energy Corp. (formerly Canadian Platinum Corp.) is a Canadian-based, publicly listed company that trades on the TSX.V under the symbol "AURX".

On November 15, 2018 the Shareholders of the Corporation, at a Special Meeting of Shareholders, approved the consolidation of all of its issued and outstanding common shares on the basis of twenty-six (26) pre-consolidation Common Shares into one (1) Common Share. The consolidation occurred during the current period, along with the concurrent name change. All references to share, per share amounts, warrants and options in this MD&A have been retroactively restated to reflect the share consolidation.

The Corporation has incorporated a US subsidiary called Desert Strike Resources (US) Inc. At December 31, 2019, the subsidiary was not active.

On February 20, 2019, the Corporation acquired 100% of the issued and outstanding common shares of a privately-held US company with substantial natural gas reserves in the Barnett Shale, in the state of Texas.

The Corporation is an exploration stage company and has no revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary approval and financing to complete the development, and future profitable production from the properties or proceeds from disposition. The

Corporation has, in the past, been dependent on raising cash through the sale of its common shares, either by way of private placement or through the exercise of warrants or options. The Corporation fully anticipates undertaking further private placements or public offerings in the future in order to finance business opportunities as they may arise.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Corporation has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Performance Summary

The Corporation has written down the value of its properties to the current assessed value of the projects and will continue to focus on developing its project portfolio to achieve near-term and longer-term goals. The Corporation has acquired a 70% working interest in the Cook Gold Project in Humboldt County, Nevada and entered into an agreement to option a 50% working interest in the Whiskey Flats Project in Mineral County, Nevada. In addition, the Corporation has acquired 100% of the common shares of a privately-held company with substantial natural gas reserves in the Barnett Shale, Texas.

Subject to the availability of capital, the Corporation will continue to carry out exploration and development work on its projects as warranted. The Corporation may also seek out joint ventures and other opportunities to enhance shareholder value.

Assets of the Corporation

In addition to cash, prepaid expenses, deposits, and GST recoverable, the Corporation's major asset is its investment in mineral properties. As of December 31, 2019, the Corporation's investment in exploration and evaluation assets totaled \$9,768,002 as compared to \$1,304,572 at December 31, 2018.

Exploration & Evaluation Assets

The Corporation continues to focus on strengthening its portfolio of natural resource exploration projects through strategic acquisitions and dispositions. The mineral project portfolio currently consists of the Cook Gold Project in Nevada, USA; the Peter Lake Cu-Ni-PGE-Co Project in Northern Saskatchewan; and the Craig Lake Base Metal Project in Northern Saskatchewan. The oil and gas assets consist of shut-in natural gas wells in the US operated by the corporation's wholly owned subsidiary Gas Tap Corp. Management continues to actively seek out and evaluate other projects that would be a good corporate fit and could be of interest to potential investors in the Corporation.

Peter Lake Cu-Ni-PGE-Co Project

The Peter Lake Property, located in northern Saskatchewan, approximately 110km south of Points North Landing, consists of 6 active mineral claims totaling 26,437 hectares. Additional mineral claims were allowed to expire since 2013 as management has determined the exploration activities in this area are no longer being pursued. The Corporation recognized a full impairment loss on this project and the carrying amount at December 31, 2019 is \$nil.

Cook Gold Project

The Corporation has acquired a 70% working interest in the Cook Gold Project in Humboldt County Nevada. The property consists of 88 lode claims covering 7.4 sq km and is located 100km northwest of Winnemucca, Nevada. There are no work commitments, but the Corporation does commit to keep the mineral claims in good standing by making the required annual fee payments of US\$13,640 to the Bureau

of Land Management. The property is subject to a 2.5% Net Smelter Royalty in favour of arm's length third parties. In 2018, the Corporation engaged Axiom Exploration, of Saskatoon, SK, to commence the first phase of exploration work on the project. Work completed by the date of this report includes an airborne magnetometer survey, an airborne hyperspectral survey, orthomosaic photogrammetry, initial geologic mapping and surface sampling. Assay results from the surface sampling confirmed high-grade gold and copper mineralization on the property.

Whiskey Flats Copper-Zinc Project

On February 21, 2018 the Corporation signed a formal option agreement (the "Option") with Silver Reserve Corp ("Optionor") to earn a 50% interest in the Whiskey Flats Copper-Zinc Project, a former-producing copper-zinc property in Mineral County, Nevada. The terms of the acquisition required the Corporation to issue 7,500,000 common shares of the Corporation and will require cash payments totaling US\$200,000 over a 24-month period. The Corporation is required to incur US\$250,000 in exploration expenditures over a 24-month period. The property consists of 12 patented lode claims and 47 unpatented lode claims covering approximately 1,200 acres and the Corporation has recorded an additional 30 mineral lode claims. Exploration work completed by the date of this report includes an airborne hyperspectral survey, and underground mapping and sampling of the historic mine workings. Assays results were reported in a news release dated March 14, 2019. The results confirmed significant copper-zinc-silver mineralization on the property. On April 28, 2020, the Corporation announced that the option agreement was terminated pursuant to the terms of the Agreement. As a result, the Corporation recorded an impairment loss during the current year of \$453,065.

Craig Lake/Flin Flon South

The Craig Lake/Flin Flon South property consists of 2 mining claim covering 3,505 hectares. The claims are subject to a 3% net smelter royalty which may be acquired by the Corporation, at any time, for a cash payment of \$5,000,000. Management has not actively explored this property since 2014 and recorded a full impairment loss on this project to December 31, 2019. Subsequently, the Corporation re-evaluated previous work and concluded that 2 DPEM targets warranted drilling. The Corporation is actively looking for a partner on the project.

Gas Tap Corp.-Barnett Shale, Texas, USA

On February 27, 2019, the Corporation acquired Gas Tap Corp. by issuing 12,705,000 common shares of the Corporation with an estimated fair value of \$8,258,250, in exchange for 100% of the issued and outstanding common shares of Gas Tap Corp. The subsidiary is the operator of 10 shut-in natural gas wells (8 horizontal wells and 2 vertical wells) on 1,400 acres located in the Fort Worth Basin with substantial natural gas reserves in the Barnett Shale.

Total Proved Plus Probable Reserves are 25.6 Billion Cubic Feet ("BCF") of natural gas. The estimated Net Present Value ("NPV") of the net revenue (after all operating costs, royalties and taxes) from the Proved Plus Probable Reserves, using forecast pricing, discounted at 10%, is US\$20.4 million. Peak operating cash-flow (before income taxes), after reworking all wells, is estimated at US\$8.5 million per year. Estimated reserves and economic valuations are from a NI51-101 report titled "Appraisal Of Certain Oil And Gas Interests located In Hill, Hood, Parker And Tarrant Counties, Texas As Of January 1, 2020" prepared by a Qualified Reserves Evaluator ("QRE"), MKM Engineering, for Canadian Platinum Corp. (now Aurex Energy Corp.) and dated June 8, 2020.

In December 2019, the Corporation entered into a revenue sharing arrangement with an arms-length third party to provide funding in 2020 for the initial reworking of 3 natural gas wells. In part due to the subsequent Covid-19 pandemic, and partly due to international regulatory issues related to funding, both beyond the Corporation's control, this arrangement has been delayed.

Results of Operations

The Corporation has no material revenues and is dependent upon both satisfactory results from exploration and access to capital on reasonable terms in order to advance its projects.

Selected Annual Financial Information

	2019	2018	2017
Net loss	(\$1,834,063)	(\$2,930,730)	(\$495,275)
Basic and diluted loss per share	(\$0.08)	(\$0.34)	(\$0.07)
Total assets	\$9,943,458	\$1,359,465	\$3,263,834

Selected Quarterly Financial Information

The following quarterly financial data is derived from the consolidated financial statements of the Corporation for the three-month periods ended on the dates indicated below:

	Dec 31/19	Sep 30/19	Jun 30/19	Mar 31/19
Total assets	\$9,943,458	\$9,839,907	\$9,803,052	\$9,693,834
Exploration and evaluation assets	\$9,768,002	\$1,472,079	\$1,441,079	\$1,338,697
Working capital deficiency	(\$1,596,634)	(\$478,563)	(\$715,483)	(\$278,758)
Shareholders' equity	\$7,951,903	\$9,287,522	\$9,086,483	\$9,187,543
Net loss	(\$1,429,648)	(\$116,820)	(\$176,413)	(\$111,182)
Loss per share (basic and diluted)	\$(0.06)	\$(0.01)	\$(0.01)	\$(0.01)
	Dec 31/18	Sep 30/18	Jun 30/18	Mar 31/18
Total assets	\$1,359,465	\$3,742,684	\$3,700,448	\$3,274,829
Exploration and evaluation assets	\$1,304,572	\$3,696,072	\$3,546,516	\$3,253,646
Working capital deficiency	(\$265,956)	(\$65,123)	(\$123,226)	(\$71,888)
Shareholders' equity	\$1,038,616	\$3,630,949	\$3,423,290	\$3,181,757
Net loss	(\$2,534,244)	(\$211,841)	(\$126,556)	(\$58,089)
Loss per share (basic and diluted)	\$(0.30)	\$(0.02)	\$(0.01)	\$(0.01)

Comparison of the Annual Results

During the year ended December 31, 2019, the Company reported a net loss of \$1,834,063 (\$2,930,730 in 2018).

The following is a comparison of significant items from operations: office expenses of \$52,632 (\$50,132 in 2018), general exploration of \$67,039 (\$67,143 in 2018), marketing expenses of \$192,815 (\$136,939 in 2018), professional fees of \$330,538 (\$124,856 in 2018), and transfer agent fees of \$77,449 (\$22,881 in 2018) including \$31,500 in filing fees for the Gas Tap acquisition.

Capital Expenditures

The Corporation used its cash on hand for the acquisition and exploration of mineral properties. During the period ended December 31, 2019, the Corporation incurred \$534,159 in capital expenditures as compared to \$574,927 for the same period in 2018. In addition, during the current year the Corporation incurred \$8,258,250 in capital expenditures in a non-cash transaction through the issuance of 12,705,000 common shares as described under share capital.

Financial Condition/Liquidity/Capital Resources

The Corporation has historically relied upon advances from its shareholders and directors and the equity capital markets to raise funds to finance its mineral property acquisitions and exploration programs. As of December 31, 2019, the Corporation has a cash balance of \$7,292 to fund its future activities. In addition, the directors have advanced funds to the Corporation since 2013 to fund general and administrative expenses. These advances are non-interest bearing, unsecured and have no set terms of repayment. The outstanding balance as at December 31, 2019 for advances from these related parties is \$371,395 (2018 - \$68,125)

During the year, the Corporation obtained a demand loan facility of \$150,000 to finance the day-to-day operations. Any advances drawn on the facility bear interest at prime plus 2% per annum and is secured by a general security agreement providing a first security interest on all present and after acquired property of the Corporation and full guarantee of the facility by two specific board members of the Corporation. The facility is subject to annual review by the lender.

Share Capital

The authorized share capital of the Corporation is unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, with the rights, privileges, restrictions and conditions designated by the Board of Directors at the time of issuance.

2018 transactions

During the year ended December 31, 2018, the Corporation issued 7,500,000 common shares of the Corporation as initial consideration for the purchase of a 50% working interest in the Whiskey Flats Copper-Zinc Project. These shares had an estimated fair value of \$0.02 per share for a total non-cash consideration of \$150,000.

On June 7, 2018, the Corporation closed a private placement of flow-through ("FT") financing offering which resulted in the issuance of 12,400,000 Units at a purchase price of \$0.025 per Unit for gross proceeds of \$310,000. Each FT Unit consists of one FT common share and one common share purchase warrant ("Warrant"). The fair value of the Unit of \$310,999 was allocated \$159,000 to the common shares and \$210,100 to the Warrants.

On July 17, 2018 and August 6, 2018, the Corporation closed private placement financing offerings which resulted in the issuance of 16,906,000 Units at a purchase price of \$0.025 per Unit for gross proceeds of \$422,650. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Issuance costs associated with the private placements amounted to \$3,150 for net proceeds of \$419,500. The fair value of the Unit of \$419,500 was allocated \$209,400 to the common shares and \$210,100 to the Warrants.

2019 transactions

On February 27, 2019, the Corporation issued 12,705,000 (post-consolidation) common shares of the Corporation as consideration for the purchase of 100% of the issued and outstanding common shares of a privately-held company (the "Subsidiary") with substantial natural gas reserves in the Barnett Shale, Texas. On the date of acquisition, the common shares of the Corporation had an estimated fair value of \$0.65 per share (post consolidation) for a total non-cash consideration of \$8,258,250.

On July 19, 2019, the Corporation closed a private placement, announced June 26, 2019, for gross proceeds of \$489,100. The Offering consists of the issuance of an aggregate of 1,956,400 Units at a price of \$0.25 per Unit. Each Unit consists of one common share in the capital of the Company and one-half common share purchase warrant with each full Warrant entitling the holder to acquire one Common Share at a price of \$0.30 per Common Share, for a period of 19 months from the closing of the Offering. In connection with the Offering, there were no cash commissions paid. The proceeds of \$489,100 were allocated \$361,934 to the common shares and \$127,166 to Warrants.

During the year 768,590 Warrants expired with a stated capital of \$139,949.

Each Warrant issued in 2017 and 2018 entitles the holder thereof to acquire one common share of the Corporation at \$0.05 per share for 24 months following the closings. The warrants issued in 2019 entitle the holder thereof to acquire one common share of the Corporation at \$0.30 per share for 18 months following the closing.

At December 31, 2019, and the date hereof, there were 23,940,548 common shares outstanding, 2,105,354 warrants, and 665,385 stock options outstanding in the capital of the Corporation.

Stock options

The Corporation has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation, the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten-year term.

665,385 stock options outstanding and exercisable at December 31, 2019 have a weighted average remaining contractual life of 6.09 years.

Options outstanding and exercisable	Exercise Price
665,385	\$ 1.30

Share purchase warrants

As at December 31, 2019, the share purchase warrants have a weighted average remaining contractual life of 0.76 years (2019 – 1.26) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number of Warrants	Price Per Share	Expiry Date
476,923	\$ 1.30	June 7, 2020
485,615	\$ 1.30	July 17, 2020
164,615	\$ 1.30	August 6, 2020
978,200	\$ 0.30	January 19, 2021
2,105,354		

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors and companies owned by these individuals. During the period, the Corporation was charged \$205,285 (2018 - \$25,000) by key management personnel for management fees, which \$177,160 (2018 - \$16,411) is included in professional fees and \$28,125 (2018 - \$28,125) was capitalized for geological and consulting work relating to the Cook Gold and Whiskey Flats Projects. \$25,000 in wages and salaries has also been charged by key management personnel to the Corporation. Included in accounts payable and accrued liabilities, including amounts relating to prior years charges, is \$371,395 (2018 - \$68,125) payable as funds become available without interest. There are two notes payable to related parties of the Corporation outstanding at year end for a combined amount of \$42,375.

Newly adopted accounting pronouncements

IFRS 16 "Leases"

IFRS 16 'Leases' replaces IAS 17 'Leases'. The adoption of this new Standard has resulted in the Corporation recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company adopted IFRS 16 using the modified retrospective method and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The Company also elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets.

For contracts in place at the date of initial application, the Corporation has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Corporation has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the Corporation has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Corporation has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

The adoption of IFRS 16 resulted in the recognition of a right of use asset and a lease liability measured at the present value of the future lease payments on the consolidated statements of financial position for a majority of its leases that are considered operating leases under IAS 17. An amortization expense on the right of use asset and an interest expense on the lease liability has replaced the operating lease expense.

In accordance with the transition to IFRS 16 as at January 1, 2019, the Company recorded recognized right of use assets of \$nil and lease liabilities of \$nil (Note 12). When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 14%.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, bank debt, promissory note payable, due to related parties, accounts payable and accrued liabilities and loans payable. It is management's opinion that the Corporation is not exposed to significant liquidity, market or credit risks arising from its financial instruments and that the fair value of these financial instruments approximates their carrying values.

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Corporation will need to complete further equity issuances, issue debt or postpone/cease certain expenses and/or exploration and evaluation asset expenditure in order to settle all financial liabilities in the next twelve months.

Foreign currency risk is the exposure arising from transactions and balances denominated in foreign currencies. The Corporation's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between this currency and the Canadian dollar could have a material effect on the Corporation's exploration activities and business operations in the state of Nevada.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk is managed by placing cash in a major Canadian financial institution.

Risk Factors

Mineral exploration and evaluation involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors, some of which are beyond the Corporation's control such as government policies and regulation and environmental protection.

There is a degree of uncertainty attributable to the calculation of mineral resource tonnages and grades. Resource estimates are dependent partially on statistical influences drawn from drilling, sampling and other data. The measured and indicated and inferred resource figures set forth by the Corporation are estimates, and there is no certainty that these resources can be converted into reserves with profitable extraction. Declines in the market prices for metals may adversely affect the economics of converting a resource estimate into a reserve.

Whether the oil and gas reserves in the Corporation's subsidiary can be economically extracted may depend on factors beyond the Corporation's control. These factors include market fluctuations for oil and gas; the costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of resources and environmental protection.

The Corporation is dependent on debt and equity financing to carry out its future exploration and evaluation plans and maintain its mineral properties in good standing. This also applies to the development of the Corporation's oil and gas reserves. There can be no assurance that such financing will be available to the Corporation.

Corporate Governance

Management of the Corporation is responsible for the preparation and presentation of the consolidated financial statements and the accompanying notes, the MD&A, and other information contained in this report.

Management also has the responsibility for the maintenance of adequate accounting records and internal controls, prevention and detection of fraud and errors, safeguarding of assets, selection, and application of suitable policies, and appropriate disclosure and the timely disclosure of financial information in the consolidated financial statements. The preparation of the consolidated financial statements in accordance with generally accepted accounting principles is also the responsibility of management.

Subsequent events

Subsequent to December 31, 2019, natural gas benchmark prices decreased substantially due to a drop in global natural gas demand triggered by the impact of the COVID-19 virus on the global economy. The recent volatility in the natural gas pricing environment may continue and could impact the Company's earnings and cash flows.