

**AURWEST RESOURCES CORPORATION**

**Management Discussion and Analysis**

**for the three months ended March 31, 2022**

**(Expressed in Canadian Dollars)**

**Unaudited – Prepared by Management**

## AURWEST RESOURCES CORPORATION

### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For three months ended March 31, 2022

(expressed in Canadian dollars)

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#### MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“**MD&A**”) provides a discussion of Aurwest Resources Corporation’s (formerly Shamrock Enterprises Inc.) (the “**Company**” or “**Aurwest**”) financial position and the results of its operations for the three-month period ended March 31, 2022. This MD&A should be read in conjunction with the Company’s audited financial statements for the twelve-month period ended December 31, 2021, and the unaudited interim financial statements for the three months ended March 31, 2022 and the related notes thereto, which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) applicable to the preparation of financial statements. All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of May 30, 2022 and was reviewed, approved, and authorized for issue by the Company’s Board of Directors on the date.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.aurwestresources.com](http://www.aurwestresources.com). The reader should be aware that historical results are not necessarily indicative of future performance (readers should refer to “**Forward Looking Statements**”).

#### CORPORATE OVERVIEW

Aurwest is a Canadian-based junior resource company focused on the acquisition and exploration of gold and copper-gold properties in North America. Aurwest is listed on the Canadian Securities Exchange (**CSE: AWR**). The Company currently holds Option Agreements to acquire 100% interest in the Paradise Lake, Miguels Lake, and the Stony Caldera gold properties in Central Newfoundland and a 100% interest in the Stellar copper/gold project and the Stars copper porphyry project in British Columbia. To date the Company has not earned revenues from any of its exploration efforts and its projects are in the early exploration stage.

The Company was incorporated as Shamrock Enterprises Inc. pursuant to the Business Corporations Act (British Columbia) on April 17, 2008. On January 2<sup>nd</sup>, 2020, the Company underwent a name change to Aurwest Resources Corporation and consolidated its shares on a 4 for 1 basis. Effective December 31, 2020, the Company changed its year end from May 31 to December 31. The Company maintains its head office at Suite 650, 340 – 12th Ave SW, Calgary, Alberta Canada T2R 1L5.

As at the date of this MD&A, Aurwest’s directors and officers are as follows:

<b>Directors &amp; Officers</b>	<b>Position</b>
Colin Christensen	Director, President, and Chief Executive Officer
Amy Stephenson	VP Finance and Chief Financial Officer
Cameron Macdonald	Director
Brian Prokop	Director

#### **Audit Committee**

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Brian Prokop  
Cameron MacDonald

#### **Qualified Person**

Mr. Elmer B. Stewart, MSc. P. Geol. is the qualified person as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company’s mineral properties.

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#### FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “*forward-looking statements*” within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management’s expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This MD&A contains forward-looking statements which reflect management’s expectations and goals, as well as statements with respect to our belief, plans, objectives, expectations, anticipations, estimates and intentions. The words “may”, “will”, “continue”, “could”, “should”, “would”, “suspect”, “outlook”, “believes”, “plan”, “anticipates”, “estimate”, “expects”, “intends” and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company’s operations. These statements are not historical facts and only represent the Company’s current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guaranteeing of future performance and involve assumptions and risks and uncertainties that are difficult to predict, therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve several 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, and readers are advised to consider such forward-looking statements considering the risk factors set forth below and as further detailed in the “*Risks and Uncertainties*” section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company’s need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations; risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

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#### HIGHLIGHTS AND SIGNIFICANT EVENTS FOR PERIOD ENDED MARCH 31, 2022

- On January 6, 2022, the Company announce that it has received approval from the Newfoundland and Labrador Mineral Lands Division for a 33-hole, 10,000-meter drilling program on its Paradise Lake gold project. Drilling was scheduled to commence in late January subject to weather conditions.
- On January 10, 2022, the Company announce the grant of 2,362,500 common share incentive stock options at an exercise price of \$0.13 per share for a period of two (2) years from the date of issuance to certain directors, management, and consultants in accordance with the provisions of its rolling incentive share option plan. The option grant was subject to acceptance by the Canadian Securities Exchange.
- On January 18, 2022, the Company announced sampling results from the Stellar porphyry copper project. Sampling highlight included a weighted average of 0.93% Cu, 88.26 ppm Ag and 0.07 ppm Au over a 4.9 m interval in Trench-7 with individual sample results attaining maximum values of 3.23% Cu, 397 ppm Ag and 4.96 ppm Au on the Erin target; 5.23 ppm Au, 3.78 ppm Ag and 0.13% Cu over a 1.9m interval from the Jewelry Box target, discovery of the Galena Zone with select rock samples yielding up to 11.16% Pb, 0.51% Zn, 68.3 ppm Ag and 373 ppm Mo. and completion of a 6-line IP (induced polarization) survey totalling 15.6 km.
- On January 26, 2022, the Company announced commencement of its Phase 1; – 3,000-meter drill program to drill test the 5km long Twin Ponds-Paradise Lake target at its flagship Paradise Lake gold project in Central Newfoundland.
- On February 28, 2022, the Company reported analytical results from the Twin Pond area of the Paradise Lake project including surface samples of quartz vein material (2-3% combined pyrite/arsenopyrite) yielding up to 144.7 g/t (4.64 opt) and 7.37g/t gold. The samples are located approximately 400m along strike of the current drilling program.
- On March 14, 2022, the Company provided an update on the 2022 drilling program on its Paradise Lake Gold Project. The four drill holes completed all intersected multiple intervals exhibiting a quartz-pyrite-arsenopyrite mineral association, associated with quartz veining quartz stockwork and quartz breccia.

#### Subsequent to Period End

- On May 27, 2022, the Company announced drill results from the Paradise Lake project in Central Newfoundland of up to 6.20 g/t gold.
- On April 4, 2022, the Company announced that it retained Renmark Financial Communications Inc. to handle its investor relations activities for a fee of \$9,000 per month starting April 1st, 2022, for a three-month period and monthly thereafter.
- On April 5, 2022, the Company provided an update on its drilling program at the Paradise Lake Gold Project, indicating that all drill holes completed over a 2,800m strike length of the interpreted Cape Ray-Valentine Lake Structural Zone intersected multiple intervals of quartz veining, quartz veinlets and quartz breccia of variable thickness with combined pyrite+/- arsenopyrite concentrations ranging from trace to 10%, including two grains of visible gold in one drill core. *The reader is cautioned that the description of the intervals of quartz-pyrite-arsenopyrite and visible gold reported in this news release are visual descriptions of diamond drill core by professional geologists. While these features are considered encouraging, there is no guarantee that these intervals will return significant gold values*

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#### **PROPERTY SUMMARY**

This MD&A covers the Company's reporting period for the three months ended March 31, 2022. Exploration on the projects located in Newfoundland were conducted for most of the year, whereas the location of the Company's Stellar property prohibited field activities due to winter weather conditions.

#### **Industry Overview**

The longer-term fundamentals of the copper and gold industry appears strong. Gold and copper prices have continued to trend higher in conjunction with the perceived investment risk of global currencies, debt levels, and potential inflationary factors. Copper demand is forecasted to increase, driven by population growth, emerging economies, green initiatives, and infrastructure requirements. If copper and gold demand materialize as forecasted, and the structural issues facing these industries are resolved; the long-term sustainable supply of these metals could be materially impacted. Despite increased exploration expenditures, the significant decline in large copper and gold discoveries, combined with the historically low number of projects in the development pipeline, implies impending significant supply deficits for both metals.

#### **Corporate Overview**

The Company continued implementing its strategy to establish strategically focused land positions in the Central Newfoundland Gold Belt and in central British Columbia. The Company also implemented its maiden exploration programs on its Paradise Lake property in Newfoundland Labrador and British Columbia and acquired a 100% working interest in the Stars copper porphyry discovery contiguous to the Stellar project.

In Newfoundland, Aurwest optioned the Stony Caldera project (24,200 hectares (242 sq. km.) contiguous to the Paradise Lake project bringing the Company land holdings under option to (47,800 hectares or 478 sq. km.) and established a land position that covers approximately 45kms of strike length of the interpreted trace of the Cape Ray Valentine Lake ("CRVL") in the Central Newfoundland gold belt. Exploration for Orogenic style gold mineralization along regional scale structural system within the Central Newfoundland Gold Belt has located several high-grade and low-grade gold systems including New Found Gold Corp.'s Queensway project, Marathon Gold Corporation's Valentine Lake gold deposit, and the Sokomon Iron Inc.'s Moosehead gold project. The structural regime underlying the Central Newfoundland Gold Belt is comparable to the world class Abitibi greenstone belt in Canada and the Fosterville gold district in Australia. Aurwest's exploration program were successful in advancing the understanding of the structural regime underlying the properties, better defining the geology of the properties and located a significant number of gold occurrence and gold geochemical anomalies leading to drill testing of a 4.5km long targets in the Twin Pond-Paradise lake area of the Paradise Lake project.

Through the acquisition of the Stars property, Aurwest completed assembling a land package that covers most of the regional scale magnetic signature with potential to host porphyry copper style mineralization. The Stars project hosts an open-ended, large zone of porphyry copper mineralization to compliment the large area of porphyry copper style mineralization located in the northeast portion of the Stellar property. The 2021 exploration program advancing the understanding and significance of the historical copper and gold occurrence and better informed the potential of the Stellar project to host porphyry copper style mineralization. In advance of the 2021 field season, Aurwest filed on SEDAR an independent National Instrument 43-101 Technical Report. entitled "Technical Report on the Stellar Property British Columbia, Canada", (the Technical Report") with an Effective Date of April 6, 2021. Tim Sandberg, P.Geo. Matthew Carter, P.Geo., as Qualified Persons. The recommendation set out in the Technical Report were used to advance the 2021 summer exploration program.

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The technical information disclosed in this MD&A has been previously disclosed in news release made by Aurwest.

#### **NEWFOUNDLAND PROJECTS**

Aurwest's properties are located within the Exploits Subzone of the Dunnage tectonic zone underlain by Ordovician and Silurian sediments of the Botwood Group, the Badger Group that are overlain by the volcanic units assigned to the Stoney Lake Volcanic suite.

#### **Paradise Lake Project**

The Paradise Lake property consists of three separate claim blocks (Paradise Lake, Pistol Lake and Miguels) held under two separate option agreements covering 236km<sup>2</sup>. Collectively the properties cover a 27kms strike length of the CRVL. The CRVL structure hosts the Valentine Lake gold deposit to the southwest and the high-grade Moosehead gold discovery to the northeast of the Paradise Lake project. The property has seen sparse and erratic exploration since 1989 that resulted in the discovery of indicators of gold mineralization including gold showings, gold grains in-till and gold soil, and lake sediment geochemical anomalies.

The Paradise Lake portion of the property is underlain by Ordovician and Silurian sediments (Botwood Group and Badger Group) and post sedimentary intrusive rocks (syenites, monzodiorites & gabbro) in the Twin Ponds Paradise Lake area. The Miguels Lake portion of the property is located along a major structural/lithological boundary with the rocks of the Botwood Group lying to the north side of the boundary and mafic to ultramafic rock to the south side of the boundary. The Pistol Lake portion of the property is located on the west side of the property and is located on the north side of the same lithological/structural boundary seen at Miguels. Historical exploration located 10 areas of silicified low-sulfidation mineralization typically containing less than 3% total sulphides (fine-grained disseminated pyrite, arsenopyrite and sulfosalts (boulangerite). Historical Exploration results are summarized below:

- In the Paradise Lake Project, 68 rock float samples have been sampled with 12 rocks assaying >45 to 8,963 ppb Au; 14 till samples assaying >500 to 1,640 ppb Au; 61 tills with 5 to 48 gold grains per sample and 5 panned till samples assaying from 900 to >10,000 ppb Au.
- In the Miguels Lake Project, 14 rock samples have been sampled with two rocks assaying from 60 to 381 ppb Au; 40 tills assayed from >75 to 22,209 ppb Au, with 98 tills containing 1 to 36 gold grains, 40 panned tills assayed from >25 to 9,040 ppb Au.
- In the Pistol Lake Project, 49 rocks from three showings assayed >100 to 5,160 ppb Au and 6 tills assayed >50 to 7,340 ppb Au. Fine visible gold grains have been panned in tills and visible gold has been observed in outcrop. The samples containing visible gold assayed 3.1 g Au/t. Eleven angular boulder samples assayed >750 ppb Au and averaged 2.3 g Au/t; and 8 boulder samples assayed >1,000 ppb Au and averaged 2.9 g Au/t.

#### **Option Agreements:**

Pursuant to the Option agreement, to earn a 100% interest in the Paradise Lake and Pistol Lake properties, Aurwest is required to make cash payments totalling \$400,000, issue 5,000,000 units and incur exploration expenditures of \$4.0 million over the course of four years (see news release dated November 18, 2020). Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable for a period of three years at a price equal to a 10% premium to the closing price of the common shares on

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the Canadian Stock Exchange (“CSE”) on the day prior to the date of issuance. Tenacity Gold Mining Company (“Tenacity”) has retained a 3% net smelter returns royalty (“NSR”) on the property.

Pursuant to the Option agreement, to earn the 100% interest in the Miguels Lake property, Aurwest is required to make cash payments of \$50,000, issue 750,000 units and incur exploration expenses totalling \$580,000 over the course of four years (see news release dated November 18, 2020). Each unit will consist of one common share and one-half share purchase warrant. Each whole warrant is exercisable for a period of three years at a price equal to a 10% premium to the closing price of the common shares on the CSE on the day prior to the date of issuance. Tenacity retained a 1% NSR and Alexander Duffitt a 2% NSR on the property.

On April 19, 2021, the Company executed an option agreement with Tenacity to earn a 100% in five gold exploration licenses, referred to as the Stony Caldera property. To earn the 100% interest, Aurwest must make cash payments totalling \$400,000, issue 4,250,000 Units and incur a total of \$1.6 million in exploration expenses on the property (See News Release dated April 19, 2021). The Company agrees to reimburse prior expenditures of \$125,000 and issued 500,000 units on closing and a further \$275,000 and 4,250,000 units over the next four years. Each unit consists of one common share and one-half warrant exercisable for a period of three years from the date of issuance at an exercise price equal to 50% premium to the 20-day VWAP (volume weighted average price) of the common share on the Canadian Stock Exchange on the day prior to the date of issuance.

Tenacity retained a 3% NSR which the Company may buyback 1% for \$1,000,000 within six months of completing a positive feasibility study.

#### **Exploration Model:**

The Paradise Lake-Stony Caldera properties are considered to have potential to host “Orogenic” and “Intrusive Related” styles of gold mineralization. The Cape-Ray-Valentine Lake (“CRVL”) structural zone and subsidiary structures hosts several gold deposits including Valentine Lake, Cape Ray, Moosehead, and Queensway. During orogenic events in Newfoundland, these primary and subsidiary structures were re-activated allowing hydrothermal activity associated with late stage intrusives to emanate fluids upward along deep-seated faults in the basement rocks to form “leakage halos” within the overlying Botwood Group sediments and Stony Lake volcanics. These leakage halos are characterized by various styles of quartz veining with associated sulfides (pyrite + arsenopyrite) and gold mineralization exposed in outcrop/subcrop along the surface traces of these regional structures. Post Botwood intrusive activity (granodiorite/syenite) occurred in the vicinity of Twin Ponds-Paradise Lake indicating potential for an Intrusion Related style gold mineralization.

#### **2021 Compilation/Structural Interpretation:**

On completing the Stony Caldera option, Aurwest’s combine land package covers approximately 45km of the CRVL. Prior to commencing the 2021 field program, Aurwest assembled a team of geologists and prospectors to conduct the 2021 field program, compile all historical exploration results and complete a structural interpretation on the 2019 high resolution airborne magnetic/radiometric survey data. The compilation extrapolated the CRVL or a branch of the CRVL through the Paradise Lake/Stony Caldera properties and indicated that all areas of historical gold mineralization/till samples/lake sediment anomalies exhibit a strong spatial correlation to this interpreted structure.

#### **2021 Exploration Programs:**

Field work on the Paradise Lake and Miguels projects commenced in early May followed by the Pistol Lake and Stony Caldera properties in August and September. A two-phase approach was implemented, with the

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second phase designed to further explore phase I results. The objective of the phase I program was to complete property wide, preliminary exploration to validate historical exploration result and locate areas of anomalous geochemistry and mineralized outcrops. The phase I program consisted of mapping and prospecting, till sampling for detailed analysis consisting of; gold grain counts, gold grain morphology and analysis for gold and pathfinder elements associated with gold mineralization. The surface mapping and prospecting portion of the program focussed on areas of previously located gold mineralization and gold in till geochemical anomalies that exhibit a spatial association with the two large intrusives in the vicinity of Twin Ponds-Paradise Lake and the interpreted surface trace of the CRVL. A summary of the activities by project area are listed below.

	<b>Project</b>			
	<b>Stony Lake</b>	<b>Paradise Lake</b>	<b>Pistol Lake</b>	<b>Miguels Lake</b>
<b>Till Samples</b>	929	1037	132	109
<b>Rock Samples</b>	178	807	43	116
<b>Drilling meters</b>		2746		
<b>Core Samples</b>		940		
<b>Geophysics km</b>		58.5	7.5	11

**2021 Exploration Results:****Paradise Lake Project:**

At Paradise Lake the mapping and prospecting proved an effective method for exploring the property. Out of a total of 910 rock samples; 46 samples yielded gold concentrations ranging from 50 parts per billion (“ppb”) to 144,700 (144.7g/t) ppb gold. The majority of the samples yielding greater than 50 ppb gold occur in the vicinity of the Twin Ponds-Paradise Lake area; show a strong spatial association with Botwood Group sediments, the post Botwood felsic intrusives and exhibit varying degrees of quartz veining and iron carbonate alteration. In proximity to the interpreted trace of the CRVL. Samples with gold values exceeding 50 ppb exhibit a quartz-pyrite-arsenopyrite mineral association hosted in quartz veins, quartz veinlets and quartz filled breccia with associated ankerite, sericite and chlorite alteration. The presence of arsenopyrite with the gold-pyrite mineralization indicates a high temperature hydrothermal environment.

Analytical results for 117 rock samples from the 2021 program are pending due to significant backlog in analytical services. Analytical results for these samples will be reported when received.

Following the successful surface mapping and prospecting program, the Company’s Phase 2 exploration program consisted of a combined total of 74 km. of Induced Polarization (“IP”) survey on Paradise Lake-Miguels properties. The IP survey covered approximately 8km of combined strike length over the CVRL structure and the area of abundant rock samples that yielded from 50ppb to 144,700 ppb gold in the Twin Pond-Paradise Lake area. The IP survey located positive chargeability and resistivity anomalies from surface to nearly 500m depth over a strike length of 4.5 kms associated with the late stage intrusives suggesting the presence of disseminated pyrite +/- arsenopyrite and hydrothermal quartz.

The glacial till sampling program completed over portions of Paradise Lake and Miguels properties resulting in the collection of 1278 till samples from the B soil horizon. These samples were analyzed of a suite of trace elements including gold-silver and arsenic (“As”) and antimony (“Sb”) typical pathfinder element



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associated with gold mineralization. Out of 1278 till samples, 52 samples contained anomalous gold concentrations (>10ppb Au), five of which 51.1 to 1,114 ppb (1.11 g/t Au) gold. The results of the till program are currently being interpreted and final results will be reported when completed. Preliminary interpretation of these results indicate a broad, low but consistent anomalous concentrations of gold-arsenic and antimony clustered along the surface trace of the CRL in the Twin Pond-Paradise Lake area of the Paradise Lake property, sporadic weakly anomalous concentration of gold-arsenic-antimony along the major lithological/structural boundary at Miguels and anomalous silver concentrations over a four km long zone at Pistol Lake along the surface trace of the CRVL.

#### 2022 Drilling Program:

During the quarter, following the completion and interpretation of the IP survey results, Aurwest commenced a two phase, 33-hole, 10,000-meter drilling program to locate the source of the high-grade gold mineralization hosted in intensely silicified and ankerite altered outcrop/subcrop/float of late-stage felsic intrusive rocks coincident with a chargeability/resistivity anomaly in the Twin Pond-Paradise Lake area. The felsic intrusive are along the surface trace of the CRVL structural corridor.

Phase one of the drilling program consisted of 13 diamond drill holes totalling 3,000m. The program was suspended due to “spring breakup” prior to completion of the planned program. Eleven diamond drill holes (2,746 m) were completed and tested a 2.4km strike length of the Twin Pond-Paradise Lake target. Data related to the drilling program are set out below. The core sample interval ranged from 0.5 to 1.0m in length and followed best practice sampling protocols.

Hole ID	Easting	Northing	Azimuth	Dip	Depth
PL-22-01	600445	5400417	293	45	300
PL-22-02	600445	5400417	293	-75	257
PL-22-03	600327	5399822	287	-45	251
PL-22-04	600559	5400811	265	-45	338
PL-22-05	600729	5400245	300	-65	313
PL-22-06	600076	5400162	120	-78	236
PL-22-07	599763	5398513	290	-65	197
PL-22-08	599814	5398492	290	-55	167
PL-22-09	599815	5398491	110	-45	149
PL-22-10	599476	5397745	290	-45	218
PL-22-11	600334	5399780	295	-45	320

All 11 drill holes intersected multiple intervals of quartz veining, quartz veinlets and quartz breccia of variable thickness with pyrite+/- arsenopyrite concentrations ranging from trace to 10% in altered felsic intrusive rocks over a 2.4km strike length. Two grains of visible gold in a dark gray quartz-pyrite-arsenopyrite vein in drill hole PL-07-2022 at a depth of 16.7m was intersected in the drilling. Analytical results for the 940 samples of drill core collected and submitted to Bureau Veritas are pending. *The reader is cautioned that the description of the intervals of quartz-pyrite-arsenopyrite and visible gold reported in this news release are visual descriptions of diamond drill core by professional geologists. While these features are considered encouraging, there is no guarantee that these intervals will return significant gold values.*

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Preliminary observations indicate a crude mineralogical zoning with arsenopyrite occurring in five of the 10 drill holes, suggesting a higher temperature environment. In addition to the quartz-pyrite-arsenopyrite association, trace concentrations of chalcopyrite-galena-sphalerite hosted in quartz veins and quartz breccia have been observed in two drill holes.

During the three-month period ended March 31, 2022, Aurwest incurred \$519,436 (2021 - \$17,601) in expenditures towards the Paradise Lake project and Miguels Lake properties. The Company has fulfilled its obligations according to the Option Agreements to date.

#### **Stony Caldera Project**

The Stony Caldera property is contiguous with the Paradise Lake property and covers approximately 15 km. of the regional scale CRVL structure that hosts the Valentine Lake and Moosehead gold deposits. The CRVL within the Stony Caldera property extends from the Pistol Lake area to the Paradise Lake project. The property is underlain by Ordovician and Silurian sediments of the Botwood Group, the Badger Group overlain by the volcanic units assigned to the Stoney Lake Volcanic suite.

The 2021 program consisted of reconnaissance style mapping and prospecting along the surface trace of interpreted deep seated basement fault structures. The program collected 178 rock samples and several of these samples yielded gold concentrations exceeding 50 ppb gold.

#### **Stony Till program**

The glacial till sampling program on the Stony Caldera project resulted in the collection of 929 till samples. Interpretation of the till sampling results for the Stony Caldera project is underway and it is expected that results of the program would be announced in May 2022.

During the three-month ended March 31, 2022, Aurwest incurred \$34,125 (2021 - \$Nil) in expenditures towards the Stony Caldera project. The Company has fulfilled its obligations according to the Option Agreements to date.

#### **Stellar Copper-Gold Project**

The Company's 100% owned Stellar property (24,533 ha) is in the Omineca Mining Division, north central British Columbia situated approximately 25 km southwest of the town of Houston and is subject to a 2% NSR. The Company has the right to purchase 50% of the NSR for a purchase price of \$1.0 million.

The property is underlain by Lower Jurassic Hazelton Group volcanic and sedimentary rocks that have been intruded by early Cretaceous McCauley Island dioritic to monzonitic intrusive rocks and Late Cretaceous Bulkley dioritic to felsitic intrusive rocks. This suite of rocks host most of the significant porphyry copper mineralization in this portion of British Columbia. An exploration model like the Huckleberry porphyry copper deposit is being used to explore the Stellar property.

The property exhibits widespread copper-gold-silver mineralization with numerous rock samples containing greater than 1.0% copper, and in some cases molybdenum as dissemination/vein hosted chalcopyrite-bornite mineralization. The mineralogy and alteration strongly support the presence of a porphyry system. In addition to the porphyry targets, a 2.4 km long, structurally controlled Quartz vein system with gold values

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up to 37.6 g/t (1.2 oz/t) occurs in the northeast corner of the property peripheral to porphyry style mineralization.

The 2021 exploration program commenced on July 11 and concluded on September 15, 2021. The program consisted of prospecting, channel sampling, soil, and stream sediment sampling resulting in the collection of 136 hand samples, 51 channel samples, 415 soil samples in two areas, and 45 stream sediment samples. A 15.6km Titan Direct Current Induced Polarization (DCIP) survey was completed by Quantec Geoscience Ltd.

The 2021 field program was undertaken to evaluate historical mineral occurrences, ground truth magnetic signatures identified by a recent aeromagnetic survey and evaluate the balance of the property. The IP survey was completed to map the chargeability/resistivity below the area of strong copper mineralization.

The 2021 rock sampling was completed predominantly in the northeast portion of the Property. Targeted prospecting confirmed mineralization and geographic location of historical showings, including the Erin, Jewelry Box, Ridge, and Carbonate showings. The central and southern portion of the Property, where there was limited or no record of previous exploration, was also broadly prospected resulted in discovery of the Galena Zone. Channel sampling was completed on the Erin, Jewelry Box, and Galena Zones showings.

During the three-month ended March 31, 2022, Aurwest incurred \$11,832 (2021 - \$5,031) towards the Stellar Copper-Gold project.

### Rock Sampling Results:

#### Erin Showing

This showing is underlain by amygdaloidal and vesicular volcanics exhibiting strong bornite, chalcocite, chalcopyrite, tetrahedrite, malachite and azurite as massive to locally disseminated patches or locally in quartz veins and stringers. Individual sample results include; 2.83 g/t Au, 4860 g/t Ag, and 22.6% Cu; 0.139 g/t Au, 653 g/t Ag, and 31.2% Cu, and 0.032 g/t Au, 162 g/t Ag, and 36.7% Cu.

Re-sampling of the historical trenches in the Erin showing was completed within an area measuring approximately 50m by 250m yielded the following weighted average grade for the channel samples (no cut-off applied).

Zone	Sample ID	Interval (m)	Cu (%)	Ag (ppm)	Au (ppm)	Comments
<i>Erin</i>	1 + 2	7.6	0.91	14.09	tr	
	3	11.1	0.81	4.12	tr	
	4	6.5	0.40	18.94	0.09	Open
	5	6.2	0.24	15.18	0.08	Open
	6	6.0	0.51	26.55	0.07	Open
	7	4.9	0.93	88.26	0.97	Open

*Notes: m=meters, Cu=copper, Ag=silver, Au=gold, %=percent, ppm=parts per million tr = Au values <0.03 ppm, Open = mineralized interval not closed by sampling,*

The mineralogy, alteration and host rock suggest a volcanic hosted red-bed style copper mineralization. Based on the sampling and mapping, the mineralized envelope at the Erin target is open in several directions.

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#### Carbonate Showing

Sampling of this showing consisted of sampling talus slope approximately 2.5 km east of the Erin showing. This target is underlain by vesicular and amygdaloidal volcanoclastic rocks interlayered with limestone and exhibit consistently strong copper and silver mineralization with the five samples collected from this zone averaging 165.6 g/t, silver and 2.4% Copper. The source of the mineralized samples has not been located.

#### Jewelry Box – Ridge Showing

The Jewelry Box showing is underlain by silicified mafic volcanic exposed as subcrop and float within a thick package of glacial drift. The volcanics contain up to 10% pyrite, 2% chalcopyrite and trace malachite. In 2021, trenching exposed a 30-50 cm, a 065/70NW trending shear-quartz vein system at least 1.5 m in true thickness. The highest gold grades are exposed on the hanging wall and footwall of the 0.30m thick quartz vein with the maximum gold concentration of 10.3 g/t gold over a channel interval of 0.4m. The mineralization is open in several directions. Quartz vein float with gold values ranging from 0.012 to 2.30 ppm gold in the vicinity of the trench indicates the possibility of a sheeted vein system. Channel sampling results are shown below:

Zone	Sample ID	Interval (m)	Cu (%)	Ag (ppm)	Au (ppm)	Comments
Jewelry Box	1	1.9	0.126	3.78	5.23	Open

*Notes: m=meters, Cu=copper, Ag=silver, Au=gold, %=percent, ppm=parts per million, Open = mineralized interval not closed by sampling,*

#### Ridge Showing

This target is located 1.4km northeast of the Jewelry Box showing; underlain by gossanous and silicified mafic volcanic rocks and quartz-feldspar porphyry dykes. Select rock sampling over an area measuring 300m by 70m from felsenmeer and cliff face outcrops returned anomalous but minor copper, moderate silver and inconsistent but locally strong gold concentrations including 8.05 g/t Au, 38.7 g/t Ag and 388 ppm Cu from a gossanous rock with quartz stockwork veining and 28.3 g/t Au, 4.9 g/t Ag, and 126 ppm Cu from a quartz-feldspar porphyry dyke hosting rare 1-3 mm thick quartz veinlets and minor pyrite blebs. Sporadic molybdenum concentrations ranging from 4 to 603 Mo were also located by the sampling program.

#### Galena Zone:

The Galena zone covers an area measuring approximately 275m by 500m located in the southeast portion of the property. The mineralization occurs predominantly in strongly to intensely silicified, dacitic crystal tuffs with disseminated to stockwork veinlets of argentiferous galena and minor disseminated pyrite. The mineralization trends northeast is open-ended and characterized by Pb-Zn-Ag-Mo-Cu mineralization. Channel sampling over a 2.5 m interval returned low concentrations of Pb-Zn-Ag-Mo-Cu. The statistical summary of 18 rock samples collected from the Galena zone is shown below:

Element	Pb (ppm)	Zn (ppm)	Cu (ppm)	Ag (ppm)	Mo (ppm)	As (ppm)	Sb (ppm)
Median	26,050	460	118	6.65	60	99	132
Average	38,073	1,318	1,555	23	100	133	151
Maximum	111,600	5050	23,800	204	272	390	328
Minimum	21	64	2	1.5	1	5	5

**Notes:** Pb=lead, Zn=zinc, Cu=copper, Ag=silver, Mo=molybdenum, As=arsenic, Sb=antimony, ppm= parts per million *all values rounded*

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The samples selected from this showing contain visible mineralization and may not be representative of the mineralization in this zone. Individual sample highlights include; sample B737508 with 68.3 g/t Ag, 10.45% Pb and 0.51% Zn; sample B737769 with 34 g/t Ag, 10.4% Cu, and 0.16% Zn; sample B737771 with 26.8 g/t Ag, 6.93% Pb, and 0.50% Zn; and sample B737777 with 22.4 g/t Ag, 11.6% Pb, and 0.23% Zn.

A soil geochemical survey (300m wide by 600m long) outlined an east-north-easterly trending multi-element geochemical anomaly with a tight cluster of anomalous Pb and Ag values in the central portion of the survey area. For the purposes of the soil geochemistry all values above the Median were considered anomalous. Preliminary statistics for the soil geochemical survey are shown below.

Element	Pb (ppm)	Zn (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
MEDIAN	6.7	99.5	0.15	19.8	0.6
AVERAGE	29.7	110.1	0.19	22.2	0.9
SD	105.0	48.6	0.22	8.4	1.0
Maximum	813.0	294.0	1.50	48.8	7.4
Minimum	4.4	38.0	0.03	8.1	0.3

*Notes; Pb=lead, Zn=zinc, Cu=copper, Ag=silver, Mo=molybdenum, ppm= parts per million*

#### **Miscellaneous Samples:**

The prospecting program located several previously undocumented copper showings. These samples are located a significant distance from the main copper showings and returned high concentration of copper and silver hosted in vesicular and amygdaloidal volcanoclastics. These showing consist of chalcopyrite, chalcocite, malachite and azurite and yielded copper concentrations ranging from 0.05% to 12.3% and silver concentration ranging from 2.2g/t to 184g/t. The mafic volcanic rocks are locally brecciated and exhibit intense epidote-carbonate alteration accompanied by chlorite and actinolite alteration.

#### **Stream Sediment Sampling:**

The stream sediment program collected 47 samples targeting major drainages across the property. The program confirmed anomalous geochemistry in the drainages associated with the known mineral showings. The highest values returned from the sampling program was 0.224 ppm Au and 105 ppm Cu. The Galena Zone occurrence does not appear to be reflected in the stream sediments.

#### **Soil Sampling:**

A soil sample program (257 samples) was completed over the IP survey grid and covered the Jewelry Box, Lunik and Carbonate showings. The survey identified a copper-silver anomaly starting around 250 m south of the Jewelry Box showing and continuing north approximately 300 m. The Jewelry Box showing exhibits a strong gold anomaly with minor isolated anomalous copper concentrations. Copper and silver anomalies are located around the Carbonate showing. Elevated copper, gold and silver, concentrations were also located near the Lunlik showing.

#### **IP Survey:**

The six lines of Titan DCIP (resistivity and chargeability) completed over the northeastern part of the Stellar Property identified several low to moderate resistivity features and moderate to high chargeability features on each line. The survey identified a possible transition zone in the survey area possibly due to a north-south structure consistent with the aeromagnetic interpretation. The significant of this feature and its relation to the porphyry copper style mineralization is not understood at this time.

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#### **LiDAR:**

A LiDAR and orthoimagery survey were completed over the property to provide a digital terrain model for future exploration activities. The Orthoimagery was used to verify and interpret geomorphological, anthropogenic, and geological features across the property.

#### **Stellar Stars Property (“Stars Property”)**

In 2021, the Company completed the purchase of a 100% interest in the Stars copper porphyry project in two separate transactions. The Stars Property consists of four mineral tenures (3,761ha) located in the Omineca Mining District, located approximately 65 km southwest of Houston, British Columbia and can be accessed by all season forest roads contiguous to the Company’s 24,533-hectare Stellar project.

*The technical information related to the Stars property contained in this MD&A, was taken from historical assessment reports filed with the department of Mines and Energy for the province of BC on the property. Neither a Qualified Person nor Aurwest has completed sufficient work on the Stars project to confirm the historical results reported in this MD&A.*

#### **Historical Exploration**

The Stars property has been explored intermittently since the early 1970’s. Historical exploration consisted of mapping, sampling, prospecting, airborne and ground magnetic surveys, Induced Polarization surveys, and several limited reverse circulation and diamond drilling programs.

#### **Property Geology:**

The property is underlain by Hazelton Group volcanic and subordinate sedimentary units, intruded by stocks and other intrusions attributed to the Late-Triassic to Early-Jurassic Topley Intrusions as the oldest, followed by the Late-Cretaceous Bulkley Intrusions, and finally the youngest Eocene-aged Babine Plutonic Suite.

The porphyry style mineralization consists of vein hosted and disseminated chalcopyrite/bornite, and quartz vein hosted molybdenite, along with, low but significant concentrations of gold and silver. Broad intervals of significant molybdenum occur with the copper and silver mineralization. The mineralization is hosted in both volcanic and intrusive rocks, exhibiting variable alteration suites and silicification. The mineralization referred to as the “Tana Zone” and remains open in several directions and down dip.

The most recent drilling on the Stars Property was completed during 2018-2019 and included a total of 6,472m in sixteen diamond drillholes. The mineralization was intersected over an area of approximately 700m long by 700m wide and to a depth of 300m. The mineralization remains open in several directions and down dip. Selected historical mineralized intervals from this program is set out below.

#### **2018 – 2019 “Tana Zone” Drilling Highlights**

DD18SS004 – 204 m of 0.45 % Cu from 23.5 m to 227.7 m, including 40.2 m of 0.93% Cu and 3.27 g/t Ag.  
DD18SS010 – 405 m of 0.20 % Cu from 29.6 m to 435.0 m, including 30.5 m of 0.40% Cu and 1.34 g/t Ag.  
DD18SS013 – 73 m of 0.30 % Cu from 54.3 m to 127.4 m, including 15.5m of 0.40% Cu and 1.46 g/t Ag.  
DD18SS015 – 67 m of 0.35 % Cu from 231.0 m to 298.1 m, with an additional 9.9m (444.4 m – End of Hole)

*Source: BC Geological Survey, Assessment report #38189, dated April 1<sup>st</sup>, 2019.*

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During the three-month period ended March 31, 2022, Aurwest incurred \$Nil (2021 - \$Nil) in expenditures towards the Stars project.

#### Future Exploration Plans

Newfoundland: For 2022 the company is currently planning a phase two drilling program on its Paradise Lake project in Central Newfoundland. Subject to proposed capital budget the company will undertake to complete the balance of the 30,000-meter program which is currently fully permitted. Field exploration will also continue on the Miguels Lake, Pistol Lake and Stony Caldera properties including prospecting, mapping, surface sampling and additional till sampling. Permitting is also underway for this field activity. An IP survey is also being considered for the Stony Caldera property.

British Columbia: The proposed 2022 exploration on the Stellar and Stars properties will consist of completion of the 2021 IP survey on Stellar consisting of approximately 15 line kms, and a new approximate 40 line kms IP survey on Stars. Additional field exploration will continue on the Stellar property to follow up the successful results from the 2021 field program. The program will consist of prospecting, mapping and sampling of those target areas identified during this program. Permitting is now currently underway for both of these exploration programs.

#### SELECTED ANNUAL INFORMATION

	December 31, 2021	December 31, 2020	May 31, 2020
	\$	\$	\$
Loss for the year	<b>(704,090)</b>	(208,043)	(250,792)
Loss per share	<b>(0.01)</b>	(0.00)	(0.02)
Total resource properties	<b>3,476,983</b>	349,441	249,719
Total assets	<b>6,210,788</b>	1,455,382	414,572
Long term liabilities	<b>97,126</b>	-	-

The net loss on December 31, 2021 represented the Company's operation for twelve months ending December 31, 2021, compared with seven months ending December 31, 2020 as the Company changed its year end from May 31 to December 31 in 2021. The increase in net loss for the twelve month period ending December 31, 2021 was mostly due to the increase in activities on all fronts resulting in operating loss of \$989,781 (seven months ended December 31, 2020 - \$265,997) offset by recovery of flow-through premium of \$285,691 (seven months ended December 31, 2020 – gain on settlement of debt and accounts payable of \$57,954). The increase in assets on December 31, 2021 of \$4,755,406, was largely due to the completion of a flow-through and non-flow through financing in June 2021 with gross proceeds of \$5,310,184. The long-term liability is related to flow-through shares issued at a premium.

All the information described below is accounted for in accordance with IFRS, as issued by the IASB. The reader is encouraged to refer the Company's audited financial statements for the period ended December 31, 2021.

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**SUMMARY OF QUARTERLY RESULTS**

	2022	2021				2020		
	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	31-Aug	31-May
Net loss (\$)	(291,363)	(133,063)	57,633	(437,905)	(467,446)	(48,619)	(159,424)	(33,002)
Net loss per share (weighted avg)	(\$0.00)	(\$0.00)	\$0.00	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)

**SUMMARY OF OPERATING AND FINANCIAL RESULTS****Operating results for three months ending March 31, 2022 and 2021**

The operational and financial highlights for the three months ended March 31, 2022 and 2021 are as follows:

<b>Three months ending</b>	<b>March 31 2022</b>	March 31 2021
	\$	\$
<b>EXPENSES</b>		
Consulting fees	<b>84,000</b>	49,140
Property investigation	-	28,700
Exploration and evaluation expenditures	<b>8,828</b>	-
Interest expense	-	278
Marketing & investor relations	<b>18,560</b>	10,328
Office and general	<b>17,208</b>	6,850
Professional fees	<b>7,166</b>	8,545
Regulatory and filing	<b>7,280</b>	10,525
Share-based compensation	<b>242,393</b>	353,080
<b>Total operating expenses</b>	<b>385,435</b>	467,446

- The Company has not generated revenue to date and for the three months ending March 31, 2022, total operating expenses were \$385,435 (2021 – \$467,446), a decrease of \$82,011 principally due to a decrease in share-based compensation of \$110,688 and decrease in property investigation of \$28,700, off set by increase in consulting fees of \$34,860, an increase in office and general of \$10,358 and increase in marketing and investor relations of \$8,232. Share-based compensation for the three months ended March 31, 2022, was \$242,393 (2021 - \$339,529) reflecting the fair value of the 2,365,500 (2021 - 2,800,000) stock options granted on January 10, 2022.
- Operating expenses, not including share-based compensation, increased by \$28,676 to \$143,042 (2021 - \$114,366) for the three months ended March 31, 2022 primarily because the Company was much more active in exploration activities compared to the same period in 2021.
- Consulting fees during the three months ending March 31, 2022 increased by \$34,860 to \$84,000 (2021 - \$49,140) due to two management contracts in place for the CEO and Chairman of the Company.



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- Professional fees for the three months ending March 31, 2022 decreased slightly by \$1,379 to \$7,166 from \$8,545 due to focus on a drilling program at Paradise Lake this year and a rather inactive quarter in 2021.
- Marketing and investor relations expenses for the three months ended March 31, 2022 were \$18,560 (2021 - \$10,328), an increase of \$8,232 as the Company becomes more active on investor relations activities following the completion of the sampling program in Q3 followed by favorable assay results from Q4 of 2021.
- Following the Company's announcement of an NCIB on September 30, 2021 whereby the Company repurchased shares in the market for cancellation to maximize investor value, the Company purchased a total of 267,000 shares for \$31,358 (2021 – Nil and \$Nil) and returned 1,503,500 (2021 – Nil) shares for cancellation during the three months ended March 31, 2022.
- Exploration and evaluation expenses during the three months ended March 31, 2022 were \$8,828 (2021 - \$Nil). The Company also spent \$Nil (2021 - \$28,700) period in property investigation during the same period as the Company has assembled a number of strategic properties and began exploration work. The Company also capitalized \$565,393 (2021 - \$22,632) in exploration expenditures during the three months ended March 31, 2022.
- Loan interest for three months period was \$Nil (2021 - \$278) as the Company settled its last interest-bearing note payable on May 11, 2021 for \$12,405 in cash.
- Regulatory and filing fees for the quarter decreased by \$3,245 to \$7,280 (2021 - \$10,525) as the Company focused on its drilling activities during the period.
- Office and general increased by \$10,358 to \$17,280 (2021 - \$6,850) as the Company became active in exploration activities.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Liquidity**

As an exploration company, Aurwest has no regular cash in-flow from operations, and the extent of its operations is principally a function of the availability of capital resources. To date, the primary source of funding has been equity financing. As of March 31, 2022, the Company's cash position was \$1,552,532 (2021 - \$953,412) following the completion of a flow-through and non-flow through private placement in June 2021.

Major expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete such exploration and development as well as the future profitable production or proceeds from potential dispositions.

Management reviews the carrying value of the Company's interest in each property and, where deemed necessary, exploration and evaluation mineral properties are written down to their estimated recoverable amount. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

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Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing at favourable terms for these or other endeavours, including general working capital purposes.

#### Working Capital

As of March 31, 2022, Aurwest had positive working capital of \$1,513,780 (December 31, 2021 – \$2,103,811). Working capital decreased by \$590,031 for the three-month period primarily due to the drilling program in Paradise Lake and Stellar. Total exploration and evaluation expenditures was \$565,393 for the three month period ended March 31, 2022.

The Company manages its working capital through conscientious controlling of spending on its properties and operations. Due to the on-going planned advancement of project milestones for the Stellar and Stars project over the near term, and capital expenditures on its core area at Paradise Lake, Miguels Lake and Stony Caldera projects, Aurwest intends to continue to incur expenditures without revenues and with accumulate operating losses. As a result, the Company needs to obtain adequate financing to fund future exploration and development. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

As of March 31, 2022, Aurwest has no interest-bearing debt after the settling a loan payable of \$12,405 in full in May 2021. Due to related parties totalled \$185,915 (December 31, 2021 - \$185,320), which is mostly due to a former director and is in dispute.

#### Cash Flow Highlights for the periods ended March 31, 2022 and 2021:

	Three months ending March 31, 2022	Three months ending March 31, 2021
	\$	\$
Net cash used in operating activities	(217,260)	(155,159)
Net cash used in investing activities	(535,632)	(22,632)
Net cash provided by financing activities	88,642	41,251
<b>Change in cash</b>	<b>(664,250)</b>	<b>(136,540)</b>
<b>Cash, beginning of the period</b>	<b>2,216,782</b>	<b>1,089,952</b>
<b>Cash, end of the period</b>	<b>1,552,532</b>	<b>953,412</b>

#### Cash Flow for the three months ended March 31, 2022, and 2021

##### Operating Activities

Cash used in operating activities for the period ending March 31, 2022, was \$217,260 (2021 - \$155,159) mostly due to loss of the period of \$291,363, recovery of flow-through premium of \$94,072 and increase in sales tax receivable of \$69,476, offset by share-based compensation of \$242,393.

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#### Investing Activities

Cash used in investing activities for the period ending March 31, 2022, was \$535,632 (2021 - \$22,632), of which \$565,393 (2021 - \$22,632) was relating to exploration expenditures off set by \$29,761 (2021 - \$Nil) of exploration advances for upcoming drilling activities.

#### Financing Activities

The only financing activities during the three months ended March 31, 2022 was the exercise of agent's and common share purchase warrants totalling \$120,000 (2021 - \$Nil) offset by cash used in share repurchased under the NCIB activities of \$31,358 (2021 - \$Nil).

#### **Capital Resources**

As of March 31, 2022, the Company had working capital of \$1,513,780 (2021 - \$2,103,780) of which \$1,552,532 (December 31, 2021 - \$2,216,782) was in cash and \$227,310 (December 31, 2021 - \$157,834) was in sales tax receivable offset by accounts payable and accrued liabilities of \$80,148 (December 31, 2021 - \$89,405) and due to related parties of \$185,915 (December 31, 2021 - \$185,320). The Company also had \$4,042,376 (December 31, 2021 - \$3,476,983) in exploration and evaluation assets and \$325,509 (December 31, 2021 - \$355,269) in exploration advances for planned future exploration activities.

#### **Commitments**

The Company's 2022 commitments include cash, option payments and exploration expenditures relating to the properties in Newfoundland. Cash obligations total \$133,000 among the three properties in Newfoundland of which \$50,000 was paid. Option payments totals 1,125,000 units of which 275,000 units were issued during the three months ended March 31, 2022. Commitments in exploration expenditures in 2022 totals \$1,070,000. As of March 31, 2022, the Company has expended \$436,446 in the Newfoundland properties. There are no commitments for the Stellar and Stars properties in British Columbia.

#### **RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	<b>March 31, 2022</b>	<b>March 1, 2021</b>
<b>Three months ended</b>	<b>\$</b>	<b>\$</b>
Consulting fees paid or accrued to officers and directors or companies controlled by directors and officers	<b>75,000</b>	33,575
Consulting fees paid or accrued to a company controlled by former officer and director	-	11,140
Exploration expenses paid or accrued to a former director	<b>8,828</b>	3,038
Stock-based compensation –directors and officers	<b>180,833</b>	296,335
<b>Total fees and other short-term benefits</b>	<b>264,660</b>	<b>344,088</b>

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As at March 31, 2022, due to related parties consisted of \$185,915 (December 31, 2021 - \$185,320) owing to former key management personnel, directors or to companies controlled by a former director or by key management personnel. The amounts are non-interest bearing, unsecured, and have no specific terms of repayment.

As of March 31, 2022, there were two executive employment agreement contracts for two directors and officers for an annual salary of \$120,000 each.

## **FINANCIAL INSTRUMENTS AND RELATED RISKS**

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, loans payable and due to related parties.

### **Determination of Fair Value**

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy, based on the number of observable inputs used to value the instrument:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company's activities expose it to a variety of financial risks, which arise because of its exploration, development, production, and financing activities. These include:

- Credit risk
- Market risk
- Liquidity risk

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

#### *Interest rate risk*

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such as a loss is limited because the loans payable bear interest at a fixed rate.

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#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. All the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

#### **Capital Management**

The Company's capital structure includes working capital and shareholders' equity. The Company is reliant on junior resource venture capital markets for additional financing requirements.

#### **RISKS AND UNCERTANTIES**

##### **It is Indeterminable if Exploration Properties Will Result in Profitable Commercial Mining Operations**

Mine development projects, specifically the Stellar project, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors, including estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices, and anticipated capital and operating costs. The Stellar project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project. Unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, foreign exchange rates, accidents, labor actions and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. The actual results for the Stellar project could differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

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#### **Securing Additional Funding to Bring the Ore Body into Commercial Production**

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the exploration stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, as well as metal prices and the marketability of securities of speculative mineral exploration and development companies. There is no assurance that the Company will be successful in obtaining the required financing.

#### **Estimates of Mineral Resources may not be Realized**

The Company currently has no mineral resources. No assurance can be given that any level of recovery of metals will be realized or that identified resources will ever qualify as a commercially mineable or viable deposit which can be legally and economically utilized. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical, or engineering work, and work interruptions. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or resources, grades, waste-to-minerals ratios, or recovery rates may affect the economic viability of projects. The estimated Mineral Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

#### **The Company's Activities on its Properties are Subject to Environmental Regulations and Approvals**

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability or preclude economic development of a property entirely.

#### **Title Matters**

In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it

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holds or intends to acquire an interest but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

#### Share Price Risk

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including the market sentiment toward the resource sector and for all resource sector shares, the breadth of the public market for the stock, the need for certain funds to sell shares for external reasons other than those relevant to the Company and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile.

#### SUBSEQUENT EVENTS

On April 19, 2022, 275,000 units, each unit consists of one common share and one half (1/2) common share purchase warrants were issued pursuant to the option agreement of Stony Caldera.

#### DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

##### Authorized

The Company is authorized to issue an unlimited number of commons shares without par value.

##### Issued

As of the date of this report the Company had 98,321,633 common shares issued and outstanding. As of the date of this report the Company has the following options and warrants outstanding:

##### Stock Options

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
75,000	\$0.24	15-Feb-23
1,200,000	\$0.025	10-Jun-22
250,000	\$0.065	10-Nov-22
2,600,000	\$0.14	25-Mar-23
2,362,500	\$0.13	10-Jan-24
<b>6,487,500</b>	<b>\$0.11</b>	

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#### Agent Purchase Warrants

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,002,600	\$0.15	15-Sep-23*
651,000	\$0.15	1-Oct-23*
842,149	\$0.24	15-Jun-23
1,362,817	\$0.20	15-Jun-23
<b>3,858,566</b>	<b>\$0.19</b>	

\*Each agent warrant is exercisable into one common share at a price of \$0.10 for the first 18 months and \$0.15 if exercised any time after 18 months from the initial date of grant but no later than 36 months from the date of grant.

#### Share Purchase Warrants

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
19,829,100	\$0.15	15-Sep-23*
7,361,000	\$0.15	1-Oct-23*
175,000	\$0.08	27-Nov-23
250,000	\$0.20	6-May-24
12,760,589	\$0.24	15-Jun-23
20,088,518	\$0.20	15-Jun-23
300,000	\$0.121	22-Nov-24
137,500	\$0.147	19-Apr-25
<b>60,901,707</b>	<b>0.19</b>	

\*Each share purchase warrant is exercisable into one common share at a price of \$0.10 for the first 18 months and \$0.15 if exercised any time after 18 months from the initial date of grant but no later than 36 months from the date of grant.

#### OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended March 31, 2022, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues, expenses, liquidity, capital expenditures or capital resources of the Company.

#### CHANGES IN ACCOUNTING STANDARDS

##### New accounting standards and interpretations issued but not yet adopted

IAS 16 – Property, plant, and equipment – Proceeds before intended use (“IAS 16”) has been amended to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant or equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing



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the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. These amendments are effective for periods beginning on or after January 1, 2022. The Company is currently assessing the impact of this amendment.

IAS 37–Provisions (“IAS 37”), has been amended to clarify (i) the meaning of “costs to fulfil a contract”, and (ii) that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. These amendments are effective for periods beginning on or after January 1, 2022. The Company is currently assessing the impact of this amendment.

IAS 1 –Presentation of Financial Statements (“IAS 1”), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company is currently assessing the impact of this amendment.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of the audited financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

#### Judgements

##### *Exploration and evaluation expenditures*

The application of the Company’s accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes

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available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

#### *Title to mineral property interests*

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

#### *Going Concern*

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

#### Estimates

##### *Share Based Compensation*

The Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value of share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models use for estimating fair value for share-based payment transactions are disclosed in.

## **OUTLOOK**

Management and board plan to continue increasing their mineral properties exposure in both in Newfoundland and British Columbia. Our Newfoundland properties are strategically located with in the emerging gold play and will be the focus and core mineral properties for creating value for Aurwest where the Company focuses on gold exploration. The Company is actively looking how it can increase its exposure with contiguous mineral properties to Paradise Lake. The Company continues work on their Stellar property to delineate value where the focus is on copper.

The price of gold has settled, but there is a positive medium to long term trend in the gold space. We are starting to see the market take some notice of Aurwest, but we are a new up and coming story that is still quite undervalued. This provides an excellent opportunity for our shareholders as management and board continue to build the story. The junior mining space has cooled but we expect the Company's value proposition should see continued shareholder growth. COVID-19 virus has certainly affected all levels of the business world and will continue to put downward pressure business activities.

## **APPROVAL**

The Audit Committee of Aurwest has reviewed and approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it, and it is also available under our SEDAR profile at [www.sedar.com](http://www.sedar.com).