

**AURWEST RESOURCES CORPORATION**

**Management Discussion and Analysis**

**for the nine months ended September 30, 2023**

**(Expressed in Canadian Dollars)**

**Unaudited – Prepared by Management**

## AURWEST RESOURCES CORPORATION

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

For nine months ended September 30, 2023

(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 nine-month period ended September 30, 2023. This MD&A should be read in conjunction with the Company’s audited financial statements for the twelve-month period ended December 31, 2022, and the unaudited interim consolidated financial statements for the nine-months ended September 30, 2023, 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 November 13, 2023 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.sedarplus.ca](http://www.sedarplus.ca) 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, and the Miguels Lake gold properties in Central Newfoundland and owns 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 2003, 188 – 15 Ave SW, Calgary, Alberta Canada T2R 1S4.

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

<b>Directors &amp; Officers</b>	<b>Position</b>
Cameron Macdonald	Director and Chief Executive Officer (“CEO”)
Sonja Kuehnle	VP Finance and Chief Financial Officer (“CFO”)
Colin Christensen	Director
Brian Prokop	Director

## **Audit Committee**

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Brian Prokop  
Colin Christensen

## **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 SEPTEMBER 30, 2023**

- On April 20, 2023, Aurwest announced that effective April 19, 2023, the Company has terminated its option agreement dated April 19, 2021, with Tenacity Gold Mining Company Ltd. on the Stony Caldera Property to focus on the exploration of the Paradise Lake property in Newfoundland and Labrador.
- On May 24, 2023, Aurwest announced the appointment of Sonja Kuehnle as CFO of the Company, effective May 11, 2023. Alongside the appointment Ms. Kuehnle was granted incentive stock options to acquire up to 100,000 common shares at an exercise price of \$0.025 per share for a period of two (2) years from the date of issuance. Concurrent with this appointment, Amy Stephensen resigned as CFO.
- On June 27, 2023, Aurwest announced the grant of 4,825,000 common share incentive stock options at an exercise price of \$0.02 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 June 27, 2023, Aurwest issued 733,333 common shares, 300,000 at \$0.02 per share and 433,333 at \$0.05 per share, to the former chief financial officer, current chief financial officer and current interim chief executive officer of the Company. The Shares have been issued in lieu of cash payments for services rendered pursuant to consulting agreements whereby these individuals provided various management services to the Company in the first half of 2023.
- On June 27, the Company announced it had accepted the voluntary resignation of Mr. Cam Grundstrom as President and Chief Executive Officer and as a Director of Copper Star Exploration Ltd., a wholly owned subsidiary of the Company, effective May 24, 2023.
- On September 29<sup>th</sup>, the Company announced that, due to the weakness in the capital markets and mining sector over the course of the last year, it was expected that the Copper Star Financing requirement under the Plan of Arrangement would be unable to be completed by the Financing Condition Date. In anticipation of this it held a shareholders' meeting on September 12, 2023 (the "Meeting"), to among other things, wherein it received shareholder approval to extend the Financing Condition date by one (1) year until September 28, 2024 (the "Financing Condition Extension"). The accompanying Court Order was received on September 28, 2023 from the Supreme Court of British Columbia to vary the Plan of Arrangement for the Financing Condition Extension.

#### **PROPERTY SUMMARY**

This MD&A covers the Company's reporting period for the nine months ended September 30, 2023. During the quarter, the Company completed compilation of the results of the 2022 programs and the associated regulatory filings and fulfilled its obligations pursuant to the Option agreements on the Paradise Lake, Project. The Paradise Lake, Pistol Lake and Miguels Lake projects are collectively referred to as the Paradise Lake project.

No field activities were conducted during the Quarter.

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#### **Industry Overview**

During the Quarter, Spot prices for both gold and copper exhibited significant volatility. Increasing inflationary pressures, the potential for a pending global recession and instability of the Chinese economy are some of the main factors affecting the near-term demand and pricing for gold and copper. In the short-term, declining inflation and reduction of current central bank interest rates could have a significant positive effect on gold prices. In the medium-term copper demand is forecasted to increase, driven by discussions related to achieving low carbon economy, population growth, and infrastructure requirements. If copper and gold demand materialize as forecasted, and the structural issues facing these industries are not resolved; the long-term sustainable supply of these metals could be materially impacted, leading to increased pricing for both gold and copper.

#### **Corporate Overview**

No field operations were conducted during the Quarter. The preparation and filing of the Assessment Reports required by the Province of Newfoundland and Labrador to maintain the mineral tenures in “good standing” on the Paradise Lake and Miguels Lake gold projects was completed during the Quarter.

During the first quarter of fiscal 2023, Aurwest terminated its option agreement with Tenacity Gold Mining Company Ltd. on the Stony Caldera Property (see news release dated April 19, 2023) to focus its future exploration efforts on the Paradise Lake property. At the date of termination of the Stony Caldera option agreement (that includes the North Rim Stony project), all terms and conditions of the Stony Caldera option agreement were met and Aurwest had no further ongoing obligation related to the Stony Caldera project.

As of the date of this MD&A, Aurwest holds options to earn a 100% interest in the Paradise Lake and Miguels Lake gold projects covering 23,600 hectares in the Central Newfoundland Gold Belt.

Subsequent to the quarter end, 28 mineral tenures comprising the former Stellar portion of the Stars-Stellar project were forfeited. However, 15 mineral tenures remain in good standing with anniversary dates ranging from January 2024 through August 2024. Aurwest has the option to make a cash payment on or before the anniversary date of the tenures equal to the amount of the assessment work required to maintain the mineral tenures in good standing.

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

#### **NEWFOUNDLAND PROJECTS**

During the quarter, no additional field work was completed as such the following is provided for information purposes. Aurwest’s gold properties are located within the Exploits Subzone of the Dunnage tectonic zone underlain by Ordovician and Silurian sediments of the Volcanic suite. The location, geology, structural setting and recent exploration results indicates that the Aurwest’s properties within the Valentine Lake Cape Ray structural corridor have potential for both “Orogenic” and “Intrusion Related” styles of gold mineralization.

#### **Option Agreements**

Aurwest has the option to earn a 100% interest in the Paradise Lake and Pistol Lake properties subject to making cash payments totalling \$400,000, issuing 5,000,000 units and incurring exploration expenditures of \$4,000,000 over a four-year period. During the year ended December 31, 2022, discussions with Tenacity resulted in an agreement whereby the 2023 exploration expenditures set out in the Option Agreement have

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been deferred and are now required in 2024. The total exploration expenditures required pursuant to the Option Agreement have been extended to 2025. The required 2023 cash and Unit considerations pursuant to the option agreement were not extended. Tenacity Gold Mining Company (“Tenacity”) holds a 3% Net Smelter Returns royalty (“NSR”) on the property. All the terms and condition so the Option agreement have been met and the option agreement is in good standing as of the date of this MD&A.

Aurwest has the option to earn a 100% interest in the Miguels Lake property, subject to making cash payments of \$50,000, issuing 750,000 units and incurring exploration expenses totalling \$580,000 over four years. During the year ended December 31, 2022, the exploration expenditure term was extended by 12 months. Tenacity holds a 1% NSR and Alexander Duffitt a 2% NSR on the property. All the terms and condition so the Option agreement have been met and the option agreement is in good standing as of the date of this MD&A.

#### **Exploration Model**

The results of the exploration program completed in 2021-2022 supports Aurwest’s exploration model for “Orogenic” and “Intrusive Related” styles of gold mineralization within its optioned properties. The Cape-Ray-Valentine Lake (“CRVL”) structural zone and subsidiary structures are regional scale structures that hosts the Valentine Lake, Cape Ray, Moosehead, and Queensway gold deposits. Re-activation of these structures during orogenic events allowed hydrothermal activity associated with late stage intrusives to emanate fluids upward along these regional scale structures to form “leakage halos” within the overlying Botwood Group sediments and Stony Lake volcanics. These leakage halos are characterized by quartz-pyrite-arsenopyrite veins and occasionally free gold 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.

#### **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 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.

The Paradise Lake project is in the early exploration stage and the exploration focus is on locating target areas that indicate the potential to host significant concentrations of gold mineralization along structural trends on which to conduct future exploration programs. No field activities were conducted during the Quarter ended September 30, 2023.

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#### ***2022 Exploration Results***

Although, the 2022 exploration results have been previously reported by way of News Releases and MD&A disclosure, a brief review of the 2022 exploration results are presented herein.

The 2022 program included 3,750 meters (18 drill holes) of diamond drilling to test the interpreted down dip extension of the gold mineralization exposed in outcrop/subcrop/boulders located in the vicinity of a 3km long chargeability anomaly identified in the Twin Lakes – Paradise Lake area of the project. A total of 1300 drill core samples were collected for gold and trace element geochemical analyses.

The drilling program intersected 86 sample intervals that contained >100 ppb (01.g/t) gold over the 3km area. Visible gold was intersected in hole PL-22-07 that returned 10.21 g/t gold over a 0.5-meter core interval. Other notable intercepts include 2.59 g/t gold over 3.4-meter core interval in hole PL-22-01.

The gold mineralization is hosted in several, near vertical, feldspar-quartz rich syenite bodies ranging in thickness from <25m wide to ~150m. The gold mineralization occurs as discrete grains in quartz-pyrite-arsenopyrite veins and breccias and within pyrite grains. The host rocks and style of gold mineralization suggest potential for an Intrusion Hosted style of gold mineralization possibly similar to Valentine Lake gold deposit.

The surface program located six new gold occurrences with select samples containing visible gold. A total of 403 rock samples and 36 channel samples were selected from outcrop or angular float with significant quartz-pyrite-arsenopyrite veining for gold-silver and trace element geochemical analyses. Gold concentrations from these new showings ranged from 50 to 4,030 parts per billion gold (“ppb”). At Paradise Lake, 35 samples returned >50ppb gold, with five samples containing gold concentrations from 1.09 to 4.03 g/t Au.

During the nine-month period ended September 30, 2023, Aurwest incurred \$57,116 (2022 - \$211,872) in exploration expenditures towards the Paradise Lake project, primarily related to maintenance costs.

#### **Stony Caldera Project**

On April 19, 2023, the Company decided to terminate the option agreement relating to the Stony Caldera Project. As previously disclosed, this resulted in total net expenditures of \$870,307 being written off for the year ended December 31, 2022. During the nine-month period ended September 30, 2023, Aurwest incurred final expenditures of \$30,269 towards the Stony project, which were directly expensed.

#### **BRITISH COLUMBIA PROJECTS**

##### **Stars- Stellar Copper-Gold Projects**

The Company’s 100% owned Stars-Stellar property (28,815.2 ha) is in the Omineca Mining Division, north central British Columbia situated approximately 25 km southwest of the town of Houston. The mineral tenures that comprised the Stellar portion of the property 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

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mineralization in this portion of British Columbia. An exploration model like the Huckleberry porphyry copper deposit/mine is being used to explore the Stars-Stellar property.

The mineral tenures comprising the Stellar portion of the project required approximately \$400,000 in additional exploration expenditures on or before their anniversary date of October 20, 2023. Subsequent to quarter end, as at the anniversary date of the mineral tenures, 28 in total, neither the exploration expenditures nor the cash payment in lieu of the exploration expenditures were filed toward maintaining the tenures in good standing, and as such they were allowed to expire.

During the nine-months ended, September 30, 2023 no field activities were conducted on the Stars-Stellar project.

#### 2022 Exploration Results

In 2022, Aurwest filed an independent Technical Report titled “TECHNICAL REPORT ON THE STELLAR - STARS PROPERTY British Columbia, Canada” Prepared in accordance with National Instrument 43-101, by Perry Grunenberg, P.Geo., as Qualified Person with an Effective Date of April 27, 2022.

Following description of Stars-Stellar project (previously reported) is presented below to provide the reader a summary of the exploration results and potential to host significant copper mineralization.

The Stars-Stellar property hosts an open-ended zone of porphyry style copper-molybdenum mineralization with low but significant concentrations of silver hosted in volcanic and intrusive rocks. In 2018-2019, drilling (6,472m in 16 drill holes) intersected copper-molybdenum-silver mineralization over an area measuring approximately 700m long by 700m wide and to a depth of 300m. The mineralized envelope remains open in several directions. Selected historical mineralized intervals from this program are set out below.

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.*

In the northeast portion of the Stars-Stellar property (formerly referred to as the Stellar Project); widespread copper-gold-silver mineralization with numerous rock samples of disseminated and vein hosted chalcopyrite-bornite mineralization yielding greater than 1.0% copper. 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 up to 37.6 g/t (1.2 oz/t) occurs in the northeast corner of the property peripheral to porphyry style mineralization.

During the nine-month period ended September 30, 2023, Aurwest incurred \$11,852 (2022 - \$18,442) in exploration expenditures towards the Stars-Stellar project, primarily related to maintenance costs.



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**SUMMARY OF QUARTERLY RESULTS**

	2023			2022			2021	
	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Net loss (\$)	(102,181)	(136,911)	(111,072)	(1,091,665)	(183,370)	(158,353)	(291,363)	(143,628)
Net loss per share (weighted avg)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.02)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

**SUMMARY OF OPERATING AND FINANCIAL RESULTS****Operating results for nine months ending September 30, 2023, and 2022**

The operational and financial highlights for the nine months ended September 30, 2023, and 2022 are as follows:

	Nine months ending September 30, 2023	Nine months ending September 30, 2022
	\$	\$
<b>EXPENSES</b>		
Consulting fees	<b>166,047</b>	252,000
Exploration and evaluation expenditures	<b>22,989</b>	10,436
Marketing & investor relations	<b>6,430</b>	60,980
Office and general	<b>26,474</b>	31,135
Professional fees	<b>39,630</b>	84,998
Regulatory and filing	<b>18,439</b>	48,271
Share-based compensation	<b>70,155</b>	242,393
<b>Total operating expenses</b>	<b>350,164</b>	720,313

- The Company has not generated revenue to date and for the nine months ending September 30, 2023, and total operating expenses were \$350,164 (2022 – \$730,213), a decrease of \$380,049 principally due to a decrease in share-based compensation of \$172,238, a non-cash item, as well as a decrease in consulting fees of \$85,953, a decrease in marketing and investor relations of \$54,550, a decrease in professional fees of \$45,368, and a decrease regulatory expenses of \$29,832. This is off set by an increase in exploration expenditures of \$12,553 as the Company decided to terminate the Option with the Stony Caldera project, so all closing expenses in fiscal 2023 were directly expensed versus capitalized in the previous comparable period.
- Share-based compensation for the nine months ended September 30, 2023, was \$70,155 (2022 - \$242,393) primarily reflecting the fair value of the 4,700,000 (2022 – 1,200,000) stock options granted on June 27, 2023. The reduction in expense can be associated with the reduced share and exercise price at the time of grant being \$0.02 compared to the January 2022 grant stock and exercise price of \$0.13.
- Operating expenses, not including share-based compensation, decreased by \$207,811 to \$280,009 (2022 - \$487,820) for the nine months ended September 30, 2023 primarily due to the reduced consulting fees, marketing and investor expenses, professional fees and regulatory expenses.

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- Consulting fees relate to services provided by directors, officers, and contractors. During the nine months ending September 30, 2023, consulting fees decreased by \$85,953 to \$166,047 (2022 - \$252,000) as the Company saw the departure of the CEO during the first quarter, leaving only one management contract in place for the Chairman of the Company, and interim CEO, for the first quarter of the year, with the joining of the new Chief Financial Officer in May 2023.
- Exploration and evaluation expenses during the nine months ended September 30, 2023 were \$22,989 (2022 - \$10,436). These were primarily related to closing severance costs associated with the termination of the Stony Caldera project, offset with a recovery of \$7,280 for the JEA Mineral Incentive Program received during the period. The Company also capitalized \$76,248 (2022 - \$1,497,241) in exploration expenditures during the nine months ended September 30, 2023.
- Marketing and investor relations expenses for the nine months ended September 30, 2023 were \$6,430 (2022 - \$60,980), a decrease of \$54,550 as the Company completed its investor relations program in June 2022 and focused on preserving cash.
- Office and general for the nine months ending September 30, 2023, decreased by \$4,661 to \$26,474 (2022 - \$31,135) due primarily to a reduction in office rent expense compared to the previous year.
- Professional fees for the nine months ending September 30, 2023, decreased by \$29,832 to \$18,439 (2022 - \$48,271) due primarily to a reduction in legal fees compared to the same period in 2022.
- Regulatory and filing fees for the nine months decreased by \$29,832 to \$18,439 (2022 - \$48,271) due to the prior year having costs associated with the Plan of Arrangement.

#### Operating results for three months ending September 30, 2023 and 2022

The operational and financial highlights for the nine months ended September 30, 2023 and 2022 are as follows:

	Three months ending September 30, 2023	Three months ending September 30, 2022
	\$	\$
<b>EXPENSES</b>		
Consulting fees	<b>50,631</b>	84,000
Exploration and evaluation expenditures	<b>679</b>	1,608
Marketing & investor relations	<b>1,876</b>	10,676
Office and general	<b>8,332</b>	8,157
Professional fees	<b>30,771</b>	46,404
Regulatory and filing	<b>9,892</b>	32,525
Share-based compensation	-	-
<b>Total operating expenses</b>	<b>102,181</b>	183,370

- During the three months ended September 30, 2023, the Company did not generate any revenue. Operating expenses not including share-based compensation were \$102,181 (2022 - \$183,370) for the three months ended September 30, 2023.

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- Consulting fees for the three months ending September 30, 2023 totalled \$50,631 (2022 - \$84,000) a decrease of \$33,369 primarily due to the reduction in the consulting fees for the previous CEO compared to the prior year.
- Exploration and evaluation expenses were in an income position of \$679 (2022 - \$1,608) for the three-month period ending September 30, 2023. This is due to remaining closing costs for the Stony Caldera project being expensed rather than capitalized due to the termination of the project.
- Marketing and investor relations expenses for the three months ending September 30, 2023 were \$1,876 (2022 - \$10,676), a decrease of \$8,800 due to reduced investor relation activity as the Company focused on preserving cash.
- Office and general remained consistent from the same quarter in the previous year, only increasing by \$175 to \$8,332 (2022 - \$8,157).
- Professional fees for the three months ending September 30, 2023, decreased by \$15,633 to \$30,771 (2022 - \$46,404) due primarily to a reduction in legal fees compared to the same period in 2022, which can be attributed to the Plan of Arrangement.
- Regulatory and filing fees for the quarter decreased by \$22,633 to \$9,892 (2022 - \$32,525), as Q3/22 included a number of expenses related to the Plan of Arrangement.

## **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 September 30, 2023, the Company's cash position was \$102,180 (December 31, 2022 - \$337,292).

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.

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 September 30, 2023, Aurwest had working capital deficit of \$252,842 (December 31, 2022 – \$44,051 surplus). Working capital decreased by \$296,893 for the nine-month ending September 30, 2023 primarily

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due to net cash used in operations of \$203,561, net capital expenditures of \$30,798, primarily due to the renewal of property claims, and the there being no financing activities during the quarter.

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 and Miguels Lake 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 September 30, 2023, Aurwest has due to related parties totalled \$66,368 (December 31, 2022 - \$77,388), which is related to the amounts due to the SpinCos.

#### Cash Flow Highlights for the periods ended September 30, 2023 and 2022:

	Nine months ending September 30, 2023	Nine months ending September 30, 2022
	\$	\$
Net cash used in operating activities	(203,561)	(416,723)
Net cash used in investing activities	(30,798)	(1,164,760)
Net cash provided by financing activities	(753)	118,644
<b>Change in cash</b>	<b>(235,112)</b>	<b>(1,462,839)</b>
<b>Cash, beginning of the period</b>	<b>337,292</b>	<b>2,216,782</b>
<b>Cash, end of the period</b>	<b>102,180</b>	<b>753,943</b>

#### Operating Activities

Cash used in operating activities for the period ending September 30, 2023, was \$203,561 (2022 - \$416,723) mostly due to loss of the period of \$350,164 offset by non-cash share-based compensation as well as share-based payments totalling \$84,822. Remaining cash used for operations is impacted by timing issues associated with changes in non-cash working capital totalling \$59,394.

#### Investing Activities

Cash used in investing activities for the period ending September 30, 2023, was \$30,798 (2022 - \$1,164,760 used) due to capital spending of \$76,248 relating to exploration expenditures offset by the JEA exploration advance in the amount of \$45,450 received in 2023. \$28,621 of the total capital spending was associated with the renewal of claims for the Company's properties.

#### Financing Activities

There was a modest amount of cash used in financing activities for the period ended September 30, 2023 in the amount of \$753 associated with the issuance of shares for service. This is compared September 30, 2022 with the exercise of agent and common share purchase warrants totalling \$120,000, and the exercise of options totalling \$30,000, offset by cash used in share repurchased under the NCIB activities of \$31,358.

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#### Capital Resources

As of September 30, 2023, the Company had a working capital deficit of \$252,842 (December 31, 2022 - \$44,051) of which \$102,180 (December 31, 2022 - \$337,292) was in cash, \$9,391 (December 31, 2022 - \$35,249) was in sales tax receivable and \$17,509 was in prepaids (December 31, 2022 - \$7,275). This is offset by accounts payable and accrued liabilities of \$315,554 (December 31, 2022 - \$258,377) and due to related parties of \$66,368 (December 31, 2022 - \$77,388). The Company also had \$4,426,595 (December 31, 2022 - \$4,395,797) in exploration and evaluation assets.

#### Commitments

In 2023, the Company has a commitment required by the Newfoundland Government to incur \$187,100 in exploration expenses on its Paradise Lake project.

In addition, the Company is required to pay \$100,000 in cash and issue 1,500,000 common shares under the Paradise Lake option agreement and pay \$12,000 in cash and issue 200,000 common shares under the Miguel Lake option agreement. Both properties have mineral property expenditure commitments that were extended from their original date of November 20, 2023 to November 20, 2024.

#### 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>Nine months ended September 30, 2023</b>	Nine months ended September 30, 2022
	\$	\$
Consulting fees paid or accrued to officers and directors or companies controlled by directors and officers	<b>163,047</b>	225,000
Exploration expenses paid or accrued to a former director	-	10,436
Stock-based compensation –directors and officers	<b>59,960</b>	180,304
Total fees and other short-term benefits	<b>223,007</b>	415,740

As at September 30, 2023, accounts payable included \$185,320 (December 31, 2022 - \$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 at September 30, 2023, there were two executive employment agreement contracts, one with an officer for an annual salary of \$70,000 and one with a director and officer for an annual salary of \$120,000.

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## DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

### Authorized

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

### Issued

Under the Plan of Arrangement, Aurwest's previous common shares were exchanged into an equal number of New Common Shares, Class A Preferred Shares and Class B Preferred Shares. Accordingly, on September 22, 2022, the Company issued 99,871,633 New Common Shares, 99,871,633, Class A Preferred Shares and 99,871,633 Class B Preferred Shares. On September 28, 2022, the Class B Preferred Shares were redeemed in full.

As at September 30, 2023, the Company had 101,454,966 (December 31, 2022 – 100,721,633) Common Shares and 99,871,633 (December 31, 2022 – 99,871,633) Class A Preferred Shares issued and outstanding. There were no common shares held in escrow at September 30, 2023 (December 31, 2022 – nil).

As of the date of this report the Company has the following options and warrants outstanding:

### Stock Options

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,500,000	\$0.13	10-Jan-24
100,000	\$0.025	24-May-25
4,700,000	\$0.02	27-Jun-25
<b>6,300,000</b>	<b>\$0.05</b>	

### Share Purchase Warrants

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
175,000	\$0.08	27-Nov-23
250,000	\$0.20	6-May-24
300,000	\$0.121	22-Nov-24
137,500	\$0.147	19-Apr-25
425,000	\$0.055	6-Dec-25
<b>1,287,500</b>	<b>\$0.11</b>	

## OFF-BALANCE SHEET ARRANGEMENTS

During the nine months ended September 30, 2023, 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.

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**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.sedarplus.ca](http://www.sedarplus.ca).