

ALERIO GOLD CORP.
(formerly PROJECT ONE RESOURCES LTD)
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS
AND RESULTS OF OPERATIONS
FOR THE THREE AND TWELVE-MONTH PERIODS ENDED AUGUST 31, 2021

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of Alerio Gold Corp. (formerly Project One Resources Ltd., the "Company") for the three and twelve-month periods ended August 31, 2021. This MD&A should be read in conjunction with the Company's audited financial statements and the related notes contained therein for the years ended August 31, 2021 and 2020 (the "Financial Statements"). The Financial Statements summarize the financial impact of the Company's financings, investments, and operations. The accompanying Financial Statements and related notes are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Please refer to the *Cautionary Notices Regarding Forward Looking Statements* in this MD&A, especially regarding forward looking statements. All figures are in Canadian dollars unless otherwise stated.

This MD&A has been reviewed by the Company's Audit Committee and approved and authorized for issue by the Company's Board of Directors on December 29, 2021. The information contained within this MD&A is current to the same date.

Cautionary Notices Regarding Forward Looking Statements

While the Company believes that the assumptions underlying any forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

OVERVIEW

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activity, including that of the Company.

At this time, it is not possible to predict the magnitude of the adverse results of the outbreak and its effects on the Company's business but believes that the COVID-19 Pandemic will likely have only a minimal impact on the Company's activities, most notably in curtailment of travel and access to projects due to travel and social distancing restrictions. There is no material disruption to the Company's current operations.

The Company was incorporated on March 22, 2018 in the Province of British Columbia, Canada by registration of its Incorporation Application and Notice of Articles pursuant to the BC Act. The Company's business and registered office address is currently located at Suite 1000-409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company's common shares trade on the Canadian Stock Exchange ("CSE") under the symbol ALE.

The Company's primary business to date has been to identify, explore and develop opportunities in the resource sector through acquisition or joint venture. During the past fiscal year, the Company and management were focused on concluding an acquisition in Guyana, South America which consists of two gold mining properties, the Tassawini and Harpy properties. The acquisition closed on October 28, 2021 at which time the Company's name was changed to Alerio Gold Corp. and the Company's common shares resumed trading on November 2, 2021 under a new symbol "ALE". The Company's current property focus is the Tassawini gold property (the "Property"). The objective is to start up all current facilities and assets at the Tassawini site and commence further property exploration activities. The property has been issued a mining permit.

History and Description of the Company

Since incorporation, the Company has undertaken steps to develop its business, including recruiting directors and officers with the skills required to operate a public company. During 2018, the Company entered into a Mineral Property Purchase Agreement to acquire an initial property (the Aura propertyTM) for shares, raised sufficient capital to commence initial exploration on that property and engaged an agent to assist in obtaining a listing on the CSE.

On August 28, 2018, the Company raised \$174,500 through the issuance of 3,290,000 common shares at \$0.05 per share.

Prior to the public listing of its common shares on the CSE, the Company completed an exploration program on the property consisting of airborne magnetic and radiometric surveys, satellite image analysis and digital elevation modelling and a systematic evaluation of available stream, soil, and rock geochemical data for the project area.

On June 12, 2019, the Company closed a public offering and raised \$400,000 in gross proceeds through the issuance of 4,000,000 common shares at a price of \$0.10 per share. At the same time, the Company's common shares began trading on the CSE under the symbol PJO.

After the closing of the public offering, the Company continued to undertake exploration activities at the property throughout 2019 and 2020.

The latest exploration activities indicated that IP surveys and drilling would be warranted, however the costs of these programs could not be estimated at that stage. It was determined that his type of follow up work would require permitting through the Ministry of Mines and consultation with affected First Nations.

Due to required permitting and additional extensive financing needed for any ongoing major exploration work on the Aura property, the Company attempted to identify other project opportunities, both mineral properties and other business entities that could be acquired. The advent of COVID-19 in early 2020, slowed activities considerably. In December 2020, our contract geologist filed an updated property plan for the Aura project with the BC Department of Mines.

Recent Corporate Update

-On September 17, 2020, the Company announced that it had formed an Advisory Board to be comprised of various industry experts who would assist the company with its potential activities and acquisitions. The two initial appointees are Antoine Karam and John Devlin.

-On September 17, 2020, the Company announced that it had allocated a total of 450,000 stock options to consultants and advisory board members at a price of \$0.50 and valid for 5 years.

-On February 19, 2021 the Company announced that due to COVID-19 related travel restrictions it was decided to no longer pursue the potential acquisition of two European cyber security firms as previously announced.

-Also in February, the Company accepted the resignations of John Devlin and Antoine Karam from its Advisory Board and has also cancelled all 450,000 stock options granted to consultants on Sept. 17, 2020.

-On June 9, 2021 the Company entered in to a non-binding letter of Intent with Goldeneye Capital Ltd to acquire two gold mining properties located in Guyana, South America known as the Tassawini and Harpy properties.

The Tassawini Gold Project is an advanced stage gold project that totals 3,413 acres (or 1,381 hectares) in size and is located approximately 175 kilometres to the northwest of the capital city of Georgetown, in Guyana, South America. Significant previous work has been performed on the property since 2004 by previous owners that includes 47,509 meters of drilling in 1,279 core and reverse circulation drill holes; extensive trenching; metallurgical testing; geophysics and mapping.

The previous work completed on the property resulted in an historical indicated resource containing 10,766,000 tonnes grading 1.3 grams per tonne gold (or 437,000 ounces (oz) gold) and an additional historical inferred resource of

614,000 tonnes grading 1.7 grams per tonne gold (or 62,000 oz gold) that was estimated by SRK in a mineral resource estimation dated July 21, 2008, and revised on Feb. 10, 2010. The resource appears to be open in multiple directions and at depth.

The extensive exploration which has been done on the property, has outlined excellent potential to expand the previously defined gold mineralization. The property has significant exploration potential that includes the Sonne zone with a previously defined gold-in-soil anomaly similar in size to the historic resource area and is located only 400 metres to the west. In addition, there are approximately 15 other gold and/or geophysical anomalies within the property that need further exploration.

The property has established infrastructure in place that includes a 120-person camp and facilities, a commercial airstrip, and river docking capacity for 1,000-tonne barge access. The project was issued a mining permit allowing for medium scale production in 2018. The mining permit is renewable in 5 year cycles.

The Tassawini Gold Project will become the Company’s principal asset.

On October 28, 2021 the Company and Goldeneye Capital Ltd entered into a formal Asset Purchase Agreement and, pursuant to the agreement, the Company assumed Goldeneye’s rights and obligations under Goldeneye’s option agreement respecting the properties in exchange for: (i) an aggregate cash payment to the shareholders of Goldeneye of USD\$500,000 (ii) the issuance to the Vendors of an aggregate of 50,000,000 common shares in the capital of the Company and (iii) a 3% net smelter return with an option to purchase ½ of this net smelter return for USD \$3,000,000.

The transaction required CSE and shareholder approval which were both received on or before November 2, 2021. A Form 2 Listing Statement has been filed on the CSE website and on Sedar. The transaction also involved the Company changing its name to “Alerio Gold Corp.” and changing its CSE trading symbol to ALE.

OVERALL PERFORMANCE

Summary of Quarterly Reports

Since incorporation, the Company has been primarily evaluating potential acquisition mining properties in addition to exploring the Aura property. The loss incurred each quarter relates to the expenditures incurred in maintaining the operations of the Company and indirect cost in supporting the Company’s activities. Losses in the past four quarters also include potential acquisition diligence costs incurred.

Results for the most recent quarters ending with the last quarter for the period ended August 31, 2021:

For the three month period ending	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020
Revenue	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Operating Expenses	\$813,722	\$90,439	\$109,680	\$164,980	\$310,063	\$16,392
Net loss and comprehensive loss	\$1,120,072	\$90,439	\$109,680	\$164,980	\$310,063	\$16,392
Basic and diluted loss per share	\$0.08	\$0.006	\$0.007	\$0.012	\$0.02	\$0.002
Total assets	\$1,204,201	\$348,026	\$598,767	\$657,269	\$633,353	\$140,191
Total non-current financial liabilities	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil

Commented [MP1]: Update this to more recent activity as well?

For the three month period ending	February 28, 2020	November 30, 2019	August 31, 2019
Revenue	\$nil	\$nil	\$nil
Operating Expenses	\$19,952	\$60,727	\$111,542
Net loss and comprehensive loss	\$19,952	\$60,727	\$111,542
Basic and diluted loss per share	\$0.002	\$0.006	\$0.02
Total assets	\$315,190	\$344,676	\$221,387
Total non-current financial liabilities	\$nil	\$nil	\$nil

Selected Annual Information

The selected annual information set out below has been derived from and should be read in conjunction with the Financial Statements.

	Year ended August 31, 2021	Year ended August 31, 2020
Revenue	\$nil	\$nil
Operating expenses	\$813,722	\$363,092
Net loss and comprehensive loss	\$1,120,072	\$407,134
Basic and diluted loss per share	\$0.08	\$0.02
Total assets	\$1,204,201	\$788,125
Total non-current financial liabilities	\$nil	\$nil

Relevant financial information for the three-month period ended August 31, 2021 compared to the three-month period ended August 31, 2020

General and administration (“G&A”) expenses are costs associated with the Company’s corporate office and other expenditures that are not directly attributable to the Company’s exploration project and include due diligence related costs regarding potential acquisitions.

For the three-month period ended August 31, 2021, G&A expenses totalled \$223,940 (2020 - \$308,436), a decrease of \$84,496. Major cost reductions were for audit fees, consulting, shareholder communications and stock-based compensation.

Total legal related expenses during the period were \$8,748 as compared to \$21,578 in the 2020 comparable period, consulting fees totalled \$150,760 as compared to \$84,965, exploration and evaluation expenditures were \$3,646 as compared to \$5,208 in 2020 (after accounting for BC Mining and CRA tax credits received), and interest and bank charges amounted to \$293 as compared to \$148 in the comparable 2020 period.

Advertising and promotion costs were \$11,739 as compared to \$31,625, and filing fees were \$21,516 as compared to \$853 in the comparable 2020 period.

During the period, audit and accounting fees totalled \$19,835 as compared to \$20,585 in 2019/2020. Stock-based compensation during the three-month period was nil compared to \$125,700 in 2020.

Relevant financial information for the twelve-month period ended August 31, 2021 compared to the twelve month period ended August 31, 2020

For the twelve-month period ended August 31, 2021, G&A expenses totalled \$1,064,872 (2020 - \$407,134), an increase of \$657,738. Major cost additions were primarily for due diligence and transaction activities related to two large potential acquisitions in Greece and Turkey and included consulting and financial accounting fees of \$74,511, legal fees of \$71,768 and Alerio Gold Corp/Goldeneye transaction related costs to August 31 of \$306,350.

Exploration and evaluation expenditures totalled \$3,732 as compared to a credit amount of \$13,667, website design costs were \$4,609 as compared to \$3,500, and interest and bank charges amounted to \$1,053 as compared to \$773 in the comparable 2020 period. Accounting and audit fees were \$32,500 in the current year versus \$22,518 in 2020. Advertising and promotion costs were \$45,289 as compared to \$33,782, filing fees were \$34,384 as compared to \$23,350 in 2020. Stock-based compensation for director and officer stock options during the period was \$221,400 as compared to \$125,700 in 2020; a non-cash item.

Results of Operations

The Company anticipates that, for the foreseeable future, quarterly results of any mineral exploration operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of mineral exploration operating results are not a good indication of its future performance.

Revenues

As a mining exploration company, the Company does not generate any income, and must finance its activities through the issuance of equity instruments.

During the twelve-month period ended August 31, 2021, the Company incurred a net loss and comprehensive loss of \$1,120,072 compared to a loss of \$407,134 for the twelve-month period ended August 31, 2020. The loss for the fiscal period ended August 31, 2021 is primarily the result of European and Canadian legal and consulting fees related to due diligence and analysis costs regarding potential acquisition candidates, as well as share based compensation costs.

Liquidity and Capital Resources

Funds available have been used for corporate development, potential acquisition due diligence costs and general working capital purposes. Cash and cash equivalents as of August 31, 2021, totaled \$1,197,565 as compared to \$597,959 as at the previous year comparable quarter end.

Advanced exploration of the Tassawini mineral property will require additional financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company is pursuing opportunities to raise additional capital as needed; however, there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

At the Report Date, the Company has appointed new management and Board members, accepted the resignations of the prior management and directors and is focused on commercialization of the acquired gold mining properties located in Guyana, South America.

Contractual Obligations

Commented [MP2]: Mention subsequent financing here?

The Company has no material and long-term contractual obligations other than employment contracts in place with Ron Shenton and Brian Roberts.

Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in the notes of the financial statements.

New Accounting Standards

The Company is aware of certain new accounting standards which are reasonably expected to have an impact on disclosures, financial position or performance when applied at a future date. Details of these changes can be found in the notes of the financial statements.

Outstanding Share Data

As of August 31, 2021 there were 19,709,027 common shares issued and outstanding.

A total of 450,000 stock options that were granted to consultants during the previous twelve-month period were cancelled. A total of 114,350 share purchase warrants were exercised at a price of \$0.10 per warrant during the three month period.

During the prior fiscal year, the Company issued a total of 3,578,056 common shares in conjunction with a private placement transaction and paid Haywood Securities 33,600 common shares in compensation for certain PP investor introductions. The private placement transaction also provided for a total of 3,611,656 warrants which allow PP participants to acquire one additional common share at a price of \$0.30 for a period of one year after closing of the PP transaction. During the current twelve month period, one share purchase warrant holder exercised 200,000 warrants for net proceeds of \$60,000. A total of 3,378,056 of these warrants expired during August 2021.

In addition, the 48,650 remaining compensation warrants issued to Haywood Securities were exercised in June 2021 with an exercise price of \$0.10 per share purchase warrant.

During the most recent quarter, and pursuant to the Company's option plan, the Company has granted stock options to directors and consultants to purchase up to 400,000 common shares in the capital of the company at an exercise price of \$0.25, which will expire August 13, 2024.

In August 2021, the Company closed a private placement transaction for \$1,354,500 resulting in the issuance of 5,418,000 common shares and the issuance of 2,709,000 full warrants exercisable for a period of one year at a price of \$0.40 per full warrant and also a total of 162,900 broker B warrants also exercisable at a price of \$0.40 per full warrant for a period on one year.

Subsequent to August 31, 2021 a total of 80,000 options were exercised by a corporate director at \$0.19 per option and a total of 50,000,000 treasury shares were issued to the shareholders of Goldeneye Capital Ltd as a component of the Tassawini and Harpy gold property acquisitions approval and closing.

Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

During the fiscal quarter period ended August 31, 2021, related party transactions comprised the following:

- (a) Consulting fees of \$6,000 monthly paid to Ron Shenton for a total of \$72,000 (through 475175 BC Ltd)
- (b) Consulting fees of \$6,000 monthly paid to Brian Roberts for a total of \$72,000 (through 343984 BC Ltd)

Commented [MP3]: Should be for year

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to support its activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash.

The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have not changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Adoption of New and Amended IRFS Pronouncements

The Company has consistently applied the accounting policies and the significant judgments, estimates and assumptions set out in Notes 2 and 3 of the Company's audited financial statements for the year ended August 31, 2020 to the periods presented in these annual financial statements.

RISKS

The Company is subject to risks inherent in the mineral exploration business and all other potential business activities as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at www.PIR.ca as well as at www.sedar.com

Currency Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered any derivative instruments to manage interest rate fluctuations.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company would intend to place these instruments with a high-quality financial institution

Liquidity Risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility using borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's operations.

Exploration Stage Mineral Exploration Risks

Exploration stage mineral exploration companies face a variety of risks with very few exploration projects successfully achieving development stage due to factors that cannot be predicted or anticipated. Even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

Additional Disclosure for Junior Companies

The Company expects that the proceeds raised in August 2021 pursuant to the private placement offering will continue to fund operations through 2021 and initial months of 2022. The estimated total general and administrative costs necessary for the Company to operate during the following 12 months is \$330,000

Subsequent Events

On November 9, 2021, the Company announced three new appointments had been made to the Company's Advisory Board, being Praveen Varshney, FCPA, FCA, Vishal Mohan and Ron Shenton.

On November 22, 2021 the Company announced that the Company's shares have been accepted for listing and have commenced trading on the Frankfurt Stock Exchange under the symbol "3FRO" with a WKN number of A3C6XZ.