

**AURORA ROYALTIES INC. (Formerly Amato Exploration Ltd.)  
MANAGEMENT'S DISCUSSION & ANALYSIS OF OPERATIONS - FORM 51-102F1  
FOR THE YEAR ENDED NOVEMBER 30, 2018**

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This Management's Discussion and Analysis ("MD&A"), prepared as of March 1, 2019, reviews the financial condition and results of operations of Aurora Royalties Inc. ("Aurora" or the "Company") for the year ended November 30, 2018, and other material events up to the date of this report. The following discussion should be read in conjunction with the Company's November 30, 2018 audited annual financial statements and related notes prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars, the Company's reporting currency, unless otherwise noted.

**FORWARD-LOOKING STATEMENTS**

Certain information set forth in this document includes forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, the Company's plans to acquire mineral properties, the Company's exploration programs, the Company's future plans for its exploration properties and the Company's plans with respect to financing activities. In making these forward-looking statements, the Company has applied several material assumptions, including, but not limited to, the assumption that any additional financing needed will be available on reasonable terms, and the assumption that a sudden change in foreign exchange rates would not materially affect the results of operations, financial position and cash flows as the Company currently has minimal transactions denominated in foreign currencies. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: the execution and outcome of current or future exploration activities; information included or implied in the various independently produced and published technical reports; anticipated drilling and resource estimation plans; cash flow projections; currency fluctuations; and other general market and industry conditions as well as those factors discussed in the section entitled "Risks and Uncertainties" in each management discussion and analysis, available on SEDAR at [www.sedar.com](http://www.sedar.com).

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

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

**DESCRIPTION AND OVERVIEW OF BUSINESS**

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

The Company is in the business of acquiring, exploring and evaluating mineral properties worldwide. As a result of the current low valuation of precious metal reserves, Aurora has initiated a strategy to aggressively

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identify and seize opportunities to acquire such reserves on a long-term horizon. The Company intends to inventory and strategically develop each prospective project paying particular attention to acute project development timing, minimizing dilution to shareholders and conceiving executable exit strategies.

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

**SELECTED ANNUAL INFORMATION**

<b><u>Year ended November 30</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Interest income	\$4,508	\$2,838	\$3,073
Net loss and comprehensive loss	\$(180,834)	\$(59,295)	\$(59,716)
Loss per share – basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)
Total assets	\$300,539	\$366,443	\$421,988
Long Term Liabilities	\$0	\$0	\$0
Total Liabilities	\$16,269	\$16,309	\$12,559
Working capital	\$284,270	\$350,134	\$409,429

**GOING CONCERN UNCERTAINTY**

The challenges of securing requisite funding beyond November 30, 2018 and the continued estimated operating losses cast significant doubt on the Company’s ability to continue as a going concern. The statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

**RESULTS OF OPERATIONS**

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

For the year ended November 30, 2018 (“FY 2018”), the Company reported a net and comprehensive loss of \$(180,834) or \$(0.00) per share compared to \$(59,295) or \$(0.00) loss per share for the same twelve-month period in 2017. Cash outflows from operations for FY 2018 were \$66,880 compared to \$55,167 for FY 2017.

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**Expenses**

Stock-based compensation expense totaled \$114,970 for FY 2018 (2017 - \$Nil). Rent expense for FY 2018 and FY 2017 was \$24,000. Filing and transfer agent fees for FY 2018 were \$16,269 compared with \$15,432 for FY 2017. Professional fees, being audit and legal expenses, were \$17,450 for FY 2018 and \$10,000 for FY 2017. Management and consulting fees for FY 2018 and FY 2017 were \$12,000. The management fee represents the level of support required to maintain the Company in good standing with the securities regulators while it completes its search to acquire economically viable mineral properties that are aligned with the Company’s strategic vision. Office and General expenses declined from \$701 in FY 2017 to \$653 in FY 2018, resulting from decreased administrative fees. Management believes it will continue on the same level of cash burn for the next fiscal year subject to increase if it acquires a mineral property. The Company believes it has enough cash reserves to continue in operations for the next fiscal year.

**SUMMARY OF QUARTERLY RESULTS**

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

<b>Quarter Ended</b>	<b>Revenue</b>	<b>Net income (loss)</b>	<b>Net (loss) per share – basic and diluted</b>
November 30, 2018	\$1,134	\$ (14,807)	\$(0.00)
August 31, 2018	\$1,152	\$ (16,489)	\$(0.00)
May 31, 2018	\$1,124	\$ (15,361)	\$(0.00)
February 28, 2018	\$1,098	\$ (134,177)	\$(0.00)
November 30, 2017	\$985	\$ (13,037)	\$(0.00)
August 31, 2017	\$654	\$ (18,527)	\$(0.00)
May 31, 2017	\$591	\$ (14,462)	\$(0.00)
February 28, 2017	\$608	\$ (13,269)	\$(0.00)

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

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**Three Months Ended November 30, 2018 and 2017**

During Q4 2018, the Company incurred a net and comprehensive loss of \$(14,807) or \$(0.00) per share compared to a net comprehensive loss of \$(13,037) or \$(0.00) per share for Q4 2017. Rent expense remained consistent for both quarters at \$6,000, while professional fees increased from \$2,750 in Q4 2017 to \$5,007 in Q4 2018. This was due to higher legal expenses in Q4 of 2018. Filing and transfer agent fees increased slightly quarter over quarter to \$2,116 in Q4 2018 from \$2,105 in Q4 2017. Management and consulting fees remained the same for each quarter at \$3,000. Office and general expenses decreased for the comparative quarters; Q4 2018 was (\$182) due to a refund, and Q4 2017 was \$167. For more information on the operating expenses, refer to page 14 under "Additional Disclosure for Venture Issuers Without Significant Revenue".

**LIQUIDITY AND CAPITAL RESOURCES**

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

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

The audited financial statements of the Company for the year ended November 30, 2018 were prepared on the assumption that the Company will be able to realize its assets, discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, the financial statements do not include any adjustments to the recoverability and reclassification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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

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

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Cash and Financial Condition

The Company's cash and cash equivalents balance was \$298,723 as at November 30, 2018 compared to \$365,603 at November 30, 2017. The decrease of \$66,880 was due to the net loss and changes in other working capital items.

The Company had working capital of \$284,270 as at November 30, 2018 compared with working capital of \$350,134 as at November 30, 2017. The decrease in the working capital of \$65,864 is due to operational expenditures.

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

Investing Activities

For the year ended November 30, 2018, the Company did not incur any mineral property expenditures.

Financing Activities

During FY 2018 and FY 2017, the Company did not conduct any financings as it had sufficient cash on hand to satisfy its near-term obligations. The Company has continued to evaluate its current project proposals to determine its funding requirements for the next 12 - 18 months.

Disclosure of Outstanding Share Data

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

Outlook

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

While the financial statements for the year ended November 30, 2018 were prepared on the basis of accounting principles applicable to a going concern, current market conditions, including limited availability of financing opportunities, cast substantial doubt upon the validity of this assumption.

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

**TRANSACTIONS WITH RELATED PARTIES**

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

	Three Months Ended November 30, 2018	Three Months Ended November 30, 2017	Twelve Months Ended November 30, 2018	Twelve Months Ended November 30, 2017
Consulting Fees	3,000	3,000	12,000	12,000
Rent	6,000	6,000	24,000	24,000
	\$ 9,000	\$ 9,000	\$ 36,000	\$ 36,000

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

**SHARE CAPITAL**

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Issued and Outstanding**

As of November 30, 2018 there were 40,486,656 issued and outstanding common shares (2017 – 40,486,656 shares).

**(c) Stock Options**

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

During the year ended November 30, 2018, the Company recognized total stock-based compensation expense of \$114,970 (2017 - \$Nil).

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

	2018		2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance – Beginning of year	-	-	-	-
Granted	2,500,000	0.06	-	-
Expired	-	-	-	-
Balance – end of year	2,500,00	0.06	-	-

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

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

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

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

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

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

The Company had the following stock options outstanding and exercisable as at November 30, 2018:

Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
2,500,000	\$0.06	February 6, 2023	4.19 years

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There were no stock options outstanding as at November 30, 2017.

**(d) Basic and Diluted Loss Per Share**

<b>Numerator:</b>	<b>2018</b>	<b>2017</b>
Net loss	\$ (180,834)	\$ (59,295)
<b>Denominator:</b>	<b>2018</b>	<b>2017</b>
Weighted average number of shares outstanding - basic	40,486,656	40,486,656
Weighted average number of stock options outstanding	-	-
Weighted average number of shares outstanding - diluted	40,486,656	40,486,656
<b>Loss per share:</b>	<b>2018</b>	<b>2017</b>
Basic and diluted	\$ (0.00)	\$ (0.00)

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

**(e) Maximum Share Dilution**

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options were exercised as at November 30, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Common shares outstanding	40,486,656	40,486,656
Stock options outstanding	2,500,000	-
Fully diluted common shares outstanding	42,986,656	40,486,656

**RISKS AND UNCERTAINTIES**

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

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the

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circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

*Going Concern*

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

*Accrued Liabilities*

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

*Deferred Tax Assets*

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

*Stock-based Compensation Expense*

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

**SIGNIFICANT ACCOUNTING POLICIES**

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

**Functional and Presentation Currency**

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

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**Cash and Cash Equivalents**

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

**Financial Instruments**

(i) Classification:

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

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

(ii) Financial instruments at amortized cost:

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

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

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

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

**Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

**Income Taxes**

(i) Current taxes:

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

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(ii) Deferred taxes:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statements of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of comprehensive loss.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered. The Company does not record deferred tax assets to the extent that it considers deductible temporary differences, the carry-forward of unused tax credits and unused tax losses cannot be utilized.

**Share-based Payments**

The Company has a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized to expense over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Amounts recorded for forfeited or expired unexercised options are transferred to fair value allocation, within reserves, in the year of forfeiture or expiry.

Upon the exercise of stock options, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

**Loss Per Share**

Basic earnings (loss) per common share is determined by dividing net profit (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per common share is calculated in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding.

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**Changes in Accounting Policies**

Effective December 1, 2017, the Company has adopted the following new standards, which were made in accordance with the applicable transitional provisions, for which there were no significant impacts on the Company's financial statements:

- (a) IAS 7, *Statement of Cash Flows* ("IAS 7") - In January 2016, the IASB issued amendments to IAS 7 pursuant to which entities will be required to provide enhanced information about changes in their financial liabilities, including changes from cash flows and non-cash changes. The IAS 7 amendments are effective for annual periods beginning on or after January 1, 2017.
- (b) IAS 12, *Income Taxes* ("IAS 12") - In January 2016, the IASB issued amendments to IAS 12, which clarify guidance on the recognition of deferred tax assets related to unrealized losses resulting from debt instruments that are measured at their fair value. The IAS 12 amendments are effective for annual periods beginning on or after January 1, 2017.
- (c) IAS 16, *Property, Plant and Equipment* ("IAS 16") and IAS 38, *Intangible Assets* ("IAS 38") and, were amended in May 2016. Amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. Amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. The amendments apply prospectively for annual periods beginning on or after January 1, 2017.

**Recent Accounting Pronouncements**

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

- (a) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued in May 2015, which replaced IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

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- (b) IFRS 16, *Leases* ("IFRS 16") was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessees' classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases. The presentation on the statement of loss and other comprehensive loss required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 *Leases*.
- (c) IFRS 2, *Share-based Payment* ("IFRS 2") - In June 2016, the IASB issued amendments to IFRS 2, which expands upon the guidance for recognizing a liability for cash-settlement of a share-based payment as well as transactions with a net settlement feature for withholding tax obligations. These amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
- (d) IFRS 4, *Insurance Contracts* ("IFRS 4") - In September 2016, the IASB issued amendments to IFRS 4, which permits insurers to apply the overlay approach to designated financial assets and to reclassify in specified circumstances some or all of their financial assets so that the assets are measured at fair value through profit or loss. These amendments are effective for periods beginning on or after January 1, 2018. Earlier application is permitted.
- (e) Implication of New and Amended Standards to the Company

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

During the fiscal years 2018 and 2017, and as at the date of this report, the Company had no off-balance sheet arrangements.

#### **FINANCIAL RISK MANAGEMENT**

The Company is exposed to financial risks including credit risk, liquidity risk, and market risk. There have been no changes to management's methods for managing these risks since November 30, 2017.

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**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Maximum exposure to credit risk is \$300,122 as of November 30, 2018 (2017 - \$366,026), being the carrying value of the Company's cash and cash equivalents and its HST recoverable. The Company's cash and cash equivalents are held in a Canadian chartered bank and the HST recoverable is due from the Government of Canada. Management considers credit risk to be low.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's total financial obligations as of November 30, 2018 are \$16,269 (2017 - \$16,309), and its total cash available to pay these obligations are \$298,723 (2017 - \$365,603). All of the Company's financial obligations as of November 30, 2018 are due within one year and all of the Company's assets are expected to be realized within one year. Management expects that its liquid assets will be sufficient to fund its ongoing obligations as they come due.

In the event that the Company does not believe it has sufficient liquidity to meet its future obligations, the board will consider securing additional funds through equity, debt or other financing activities as deemed appropriate. The board approves the Company's annual operating and capital budgets as well as any material transactions outside the ordinary course of business. There is no assurance that financing would be available or, if available, on terms and conditions that are acceptable to the Company.

**Market Risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates would impact the Company's future cash flows. The Company does not currently have any interest-bearing debt and the interest earned on its cash balances is minimal. As such, the Company is not exposed to significant interest rate risk.

*Commodity Price Risk*

As a mineral exploration company, future profitability will be exposed to commodity price risk. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company with respect to property investment decisions. The Company does not currently hedge against commodity price risk due to the small scale nature of its operations.

*Sensitivity Analysis*

Management does not believe there would be any material movements in the fair value of the Company's financial instruments as a result of changes in foreign exchange rates, interest rates, or commodity prices. Accordingly, a sensitivity analysis of market rates has not been presented.

**ADDITIONAL SOURCES OF INFORMATION**

Additional information relating to Aurora can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Analysis of Operating Expenses

	<b>Three Months Ended November 30, 2018</b>	<b>Three Months Ended November 30, 2017</b>	<b>Twelve Months Ended November 30, 2018</b>	<b>Twelve Months Ended November 30, 2017</b>
Operating Expenses				
Stock-based compensation expense			114,970	
Rent	6,000	6,000	24,000	24,000
Professional fees	5,007	2,750	17,450	10,000
Filing and transfer agent fees	2,116	2,105	16,269	15,432
Management and consulting fees	3,000	3,000	12,000	12,000
Office and general	(182)	167	653	701
<b>Total Operating Expenses</b>	<b>\$ 15,941</b>	<b>\$ 14,022</b>	<b>\$ 185,342</b>	<b>\$ 62,133</b>

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