

AU GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Au Gold Corp. (the "Company") and has been prepared based on information known to management as of February 8, 2024. This MD&A is intended to help the reader understand the consolidated financial statements of the Company.

The Company recognizes environmental, social and governance ("ESG") best practices as key components to responsible mineral exploration and development. The Company's exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. The Company strives to earn its social license with local and indigenous communities by meeting with stakeholders, regulators, and other concerned parties before, and during, exploration work to understand traditional and cultural issues important to these communities. The Company's approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

The following information should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2023 and the audited consolidated financial statements for the year ended March 31, 2023 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the preparation and integrity of the audited consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

MAJOR INTERIM PERIOD OPERATING MILESTONES

On May 23, 2023, the Company provided an update for the 2023 exploration season at Ponderosa. It had the potential to host a significant gold discovery. The Company believed the Tomahawk and Flat Iron targets associated with secondary structural elements parallel to a primary northerly trending structural system newly termed the "Ponderosa Structural Corridor" (PSC) which bisects the property along its main access road through the central part of the claim block. This structural feature was dextrally offset with en-echelon geometry and hosts a series of intermittent moderately- to well-defined gold-arsenic soil geochemical anomalies along

a 1.7 km trend from the T-Bone to the Cattle Guard South zones and the Ribeye Zone. Recent and historical gold-bearing prospect samples largely fall within or very near the traces of the PSC.

Infill soil sampling of strategic gaps along the PSC commenced shortly as conditions permit. A series of RAB drillhole fences designed to test the best coincident gold-arsenic geochemical anomalies and areas of gold bearing surface prospecting samples along the PSC trend from the T-Bone to the Cattle Guard zones and the Ribeye target. The RAB program evaluated a much broader area both laterally and vertically below the relative position of the Tomahawk target to identify epithermal mineralization associated with structural feeder zones.

On January 22, 2024, the Company provided an update on its Ponderosa gold project:

- 223 soils samples collected completing gaps in the grid as recommended by industry expert Dr. Jeffery Hedenquist.
- New zones of gold anomalism coincident with Ponderosa Structural Corridor
- 2 km trend of moderately -to- strongly anomalous gold geochemistry
- The Company to display 2022 drill core at AME Roundup Conference (Vancouver) on January 24 and 25, 2024.

During 2023, infill soil samples (223) were collected from the central part of the Ponderosa property to fill in gaps between areas of previously defined anomalous gold and arsenic response. This sampling returned anomalous gold values, mostly within the structural boundaries of the newly interpreted Ponderosa Structural Corridor, with samples ranging in value from below detection to 390 ppb gold.

Completion of infill soil sampling in the central part of the property provided the final information defining the trace of the PSC. The corridor consists of a series of sinistrally offset en-echelon structural segments that trend due north through the central part of the property. The PSC can be traced for approximately 2 km and features continuous and scattered elevated gold and arsenic geochemistry with localized clusters of gold-bearing vein samples along much of the trend (historical surface samples reported up to 46.90 g/t Au and 110 g/t Ag). The PSC ties together most of the known gold-bearing zones on the property and will be the basis for future exploration.

Axel Ridge, the initial showing upon which the Ponderosa property was staked, is situated at the center of the PSC and is an enigmatic occurrence that was drill tested by previous operators. Despite multi-gram gold samples up to 12.82 g/t gold at surface and favourable epithermal textures, drilling was unable to trace the zone even to shallow depths. In conjunction with the PSC, management now interprets Axel Ridge to be associated with lateral fluid flow along the paleo gradient, rather than an upflow or feeder zone. Management believes feeder zones are located close by and likely at lower elevations along the PSC. Future drilling at Ponderosa will focus on identifying the source of these gold-bearing fluids and following them to depth.

Corporate Update

On February 6, 2024, the Company announced that Garrett Ainsworth resigned from the Board of the Company.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants, finders' warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout 2024. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at December 31, 2023, the Company had a working capital of \$64,904 (March 31 2022 \$214,432). As at December 31, 2023, \$87,129 was held in cash (March 31, 2022 - \$213,853). The total cash decrease of \$126,724 was due to cash used in: (a) operating activities of \$65,939; and (b) exploration and evaluation assets of \$60,785.

Operations

For the three months ended December 31, 2023 compared with the three months ended December 31, 2022:

The Company recorded a net loss for the three months ended December 31, 2023 of \$61,624 (loss per share - \$0.00) compared to a net loss of \$31,181 (loss per share - \$0.00) for the three months ended December 31, 2022.

The expenses amounted to \$61,624 (2022 - \$31,188), an increase of \$30,436. The change was primarily due to increases in: (a) accounting and audit (2023 - \$44,830; 2022 - \$14,775) due to the timing of receiving its audit invoice, (b) filing and transfer agent fees (2023 - \$7,468; 2022 - \$4,618), (c) insurance (2023 - \$3,251; 2022 - \$1,329), (d) office and miscellaneous (2023 - \$954; 2022 - expense recovery of \$24), and (e) marketing and shareholders communication (2023 - \$1,361; 2022 - \$992); while being offset by decreases in (f) consulting (2023 - \$3,675; 2022 - \$9,450) as the Company was conserving cash while carrying out the exploration program at its Ponderosa property during the current period.

For the nine months ended December 31, 2023 compared with the nine months ended December 31, 2022:

The Company recorded a net loss for the nine months ended December 31, 2023 of \$88,743 (loss per share - \$0.00) compared to a net loss of \$130,078 (loss per share - \$0.00) for the nine months ended December 31, 2022.

The expenses amounted to \$88,743 (2022 - \$131,452), a decrease of \$42,709. The change was primarily due to decreases in: (a) consulting (2023 - \$10,675; 2022 - \$54,900); (b) filing and transfer agent fees (2023 - \$8,705; 2022 - \$11,646), and (c) office and miscellaneous (2023 - \$1,554; 2022 - \$3,815), while being offset by increases in (d) accounting and audit (2023 - \$58,815; 2022 - \$52,993), and (e) insurance (2023 - \$5,478; 2022 - \$4,477) as the Company was conserving cash while carrying out the exploration program at its Ponderosa property during the current period.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the period, there was no other significant transaction between related parties that has not been disclosed in this MD&A.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company has no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR July 28, 2023 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at December 31, 2023:

	Issued and outstanding	
	December 31, 2023	February 8, 2024
Common shares outstanding	33,655,824	33,655,824
Options	2,400,000	2,400,000
Fully diluted common shares outstanding	36,055,824	36,055,824

QUALIFIED PERSON

Mr. Marc Blythe, MBA, P.Eng. is the Qualified Person as defined under National Instrument 43-101. The technical content of this document was prepared under the supervision of Mr. Blythe.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of

exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.