



AURANIA RESOURCES LTD.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

For the Three Months Ended March 31, 2015
(Expressed in Canadian Dollars unless otherwise indicated)

May 26, 2015

The following Management's Discussion and Analysis ("MD&A") is Management's review of the financial condition and results of operations for the three months ended March 31, 2015 (the "Reporting Period") of Aurania Resources Ltd. ("Aurania" or the "Company"). This MD&A is prepared as at May 26, 2015 unless otherwise indicated and should be read in conjunction with the consolidated financial statements and the related notes for the year ended December 31, 2014 ("Annual Financial Statements") which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") – www.sedar.com. The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSXV") under the symbol "AOZ".

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING AND CONTROLS

The Financial Statements have been prepared by Aurania's management ("Management") in accordance with IFRS and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Financial Statements are the responsibility of Management. In addition, Management is responsible for ensuring that the information contained in the MD&A is consistent where appropriate, with the information contained in the Financial Statements. In support of this responsibility, the Company maintains internal and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are properly accounted for and adequately safeguarded. The Financial Statements may contain certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the Financial Statements are presented fairly in all material respects. The Board is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee ("AC"). The members of the AC are appointed by the Board and have sufficient financial expertise to assume this role with the Company. The majority of the AC members are not involved in the Company's daily operations.

CAUTIONARY NOTE

This MD&A contains "forward-looking information" under applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan," "expect," "budget," "target," "project," "intend," "believe," "anticipate," "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of Management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company's expectations in connection with the expected exploration on its projects, potential development and expansion plans on the Company's projects, the impact of general business and economic conditions, global liquidity, inflation, inability to raise additional funds as may be required through debt or equity markets, fluctuating metal prices (such as gold, copper, silver and uranium), currency exchange rates (such as the Canadian Dollar and the Swiss Franc versus the United States Dollar), possible variations in ore grade or recovery rates, changes in accounting policies, changes in mineral resources and mineral reserves, risks related to non-core mine disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development and commissioning time frames, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of

plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, if any, success of exploration activities, permitting time lines, government regulation and the risk of government expropriation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of labour disputes and/or shortages, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or Management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

1.1 REPORT DATED MAY 26, 2015

1.2 BACKGROUND

The Company

Aurania Resources Ltd. was incorporated under the laws of Bermuda on September 26, 2007 pursuant to the provisions of *The Companies Act 1981* (Bermuda). On February 18, 2011, the Corporation registered extra-provincially in the Province of Ontario.

On April 11, 2013, the Company completed an inaugural Initial Public Offering ("IPO") with the issuance of 5,000,000 common shares for gross proceeds of \$2,000,000. On April 17, 2013, the Company's common shares commenced trading on the TSXV under the symbol "AOZ".

Directors, Officers and Management

Keith Barron - Chief Executive Officer, President, Chairman of the Board and Director

Donna McLean - Chief Financial Officer and Corporate Secretary

Jean Paul Pallier - Chief Geologist

Elaine Ellingham - Director

Gerald Harper - Director

Marvin Kaiser - Director

Advisors

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The Company's registered office is located at 31 Victoria Street, Hamilton, HM 10, Bermuda.

Nature of Operations and Company Focus

Aurania is an exploration company engaged in the search for mineral resources which could be economically and legally extracted or produced. This search typically includes the review of existing data, grid establishment, geological mapping, geophysical surveying, trenching and pitting, and reverse circulation and/or diamond drilling to test targets followed by infill drilling, if successful, to define a resource and perhaps ultimately, a reserve.

On the exploration front, exploration programmes have been formulated for the Company's three property interests in the Canton of Valais, Switzerland, however the decision to advance exploration is contingent upon several factors. *See Exploration Update.*

On the business development front, Management continues to examine and evaluate other potential prospects as industry conditions are creating opportunities for companies such as Aurania, to expand their asset base if the project meets certain investor criteria such as low operating costs, imminent cash flow or proximity to other defined resources or has near development capability.

Share Data

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2012	16,982,873	776,862 ⁽¹⁾	-	17,759,735
December 31, 2013, and December 31, 2014	22,759,735	350,000 ⁽²⁾	1,860,000	24,969,735
May 26, 2015	22,759,735	-	1,830,000 ⁽³⁾	24,589,735

⁽¹⁾ Special warrants were automatically converted to Common Shares upon completion of the Company's IPO which closed on April 11, 2013

⁽²⁾ Broker warrants issued in connection with the IPO expired April 11, 2015

⁽³⁾ On May 13, 2015 30,000 stock options previously granted to an employee, expired.

1.3 STRATEGY AND OBJECTIVES

- Raise additional funds to finance corporate and exploration expenditures
- Implement exploration program for the Swiss projects in the Summer 2015 if conditions warrant
- Remain cognizant of the tight capital market conditions and use cash wisely
- Continue to identify and evaluate opportunities to acquire additional mineral resources which could be economically extracted

CHALLENGES IN ACHIEVING OBJECTIVES

- Continuing weakened capital markets with no funding for exploration plays
- Three multi-target exploration projects requiring significant capital to advance exploration
- Reduced cash position has resulted in Management exploring financing options including short term loans and reduction of exploration programs
- Identification and evaluation of other potential projects is a costly and lengthy process

1.4 OVERALL PERFORMANCE – Financial position, operating results and cash flows

Financial Position

As at March 31, 2015, the Company had not yet achieved profitable production, and had accumulated losses of \$6,093,019 (December 31, 2014 - \$5,950,556) and will continue to incur losses until achieving commercial production.

For the three months ended March 31, 2015 and 2014, the Company posted net losses of \$142,463 and \$216,053 respectively. The Company has no long-term debt and its credit and interest rate risks are minimal. Trade payables and accrued liabilities are short-term and non-interest bearing.

As the Company will not be cash flow positive within the next twelve months, Management will need to raise additional funds in the upcoming year to finance corporate and exploration expenditures.

Operating Results

During Q1 2015, the technical team was occupied with applying for new five-year permits for the Company's Swiss exploration projects.

During Q1 2014, the technical team was completing its analysis of the 2013 exploration drill programs in order to design the 2014 summer field programs.

During the three months ended March 31, 2015, the Company recorded \$25,053 (2014 - \$38,673) of exploration expenditures and \$21,418 (\$66,264) of stock-based compensation expense. These combined expenditures decreased year over year from 49% to 33% of the total operations expenses for the period primarily due to a) lower project management costs and b) less stock-based compensation amortization expense as the unvested options are nearing the final date of vesting (April 11, 2015).

Other general and administrative costs of \$95,984 (2014 - \$104,031) were 8% less than those incurred in the same period in the prior year, primarily due to reductions in insurance premiums, professional fees and regulatory and transfer agent fees. Interest income was lower in 2015 than 2014 due to lower cash balances held.

Cash Flows

Lower commodity prices for gold and uranium continue to detract investors from investing in companies like Aurania. Hence raising funds for exploration continues to be extremely difficult. During the three months ended March 31, 2015 and 2014, there were no financing inflows of cash and Management continued to draw down on the balance of proceeds of the Company's 2013 IPO to fund its ongoing commitments.

1.5 SELECTED PERIOD FINANCIAL RESULTS

Financial Position as at	March 31, 2015	December 31, 2014
Cash	\$77,269	\$211,340
Total assets	\$103,710	\$214,197
Total liabilities	\$44,925	\$34,367
Shareholders' equity	\$58,785	\$179,830
Deficit	\$(6,093,019)	\$(5,950,556)
Statement of Loss	Three months ended March 31, 2015	Three months ended March 31, 2014
General overhead expenses	\$95,984	\$104,031
Exploration expenses	\$25,053	\$38,673
Share-based compensation expense	\$21,418	\$66,264
Total expenses	\$142,365	\$208,968
Other expenses/income items:		
Interest income	\$(114)	\$(1,407)
Loss on foreign exchange	\$212	\$8,492
Loss for the period	\$142,463	\$216,053
Cash Flow Activities	Three months ended March 31, 2015	Three months ended March 31, 2014
Operating	\$(134,071)	\$(311,969)
Investing and Financing	\$-	\$-
(Decrease) in cash during the period	\$(134,071)	\$(311,969)

1.6 OPERATIONS REVIEW

A. EXPLORATION UPDATE

The Company holds a 100% interest in three exploration permits in the Canton of Valais through its wholly-owned subsidiary **AuroVallis Sàrl ("AVS")** which is a Swiss limited liability corporation:

- Mont Chemin Project (gold-silver) **31.0 km²**
- Marécottes Project (uranium) **36.0 km²**
- Siviez Project (uranium-copper-gold-silver) **31.6 km²**

The Company has not yet determined whether these projects contain resources that are economically recoverable. The projects are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

A detailed overview, history, description and geological prospects review for the Company's exploration projects may be viewed in Aurania's 2013 IPO Prospectus and National Instrument 43-101 Technical Report, both filed on www.sedar.com.

Mont Chemin

In 2013, the Company diamond drilled 1390m in 12 holes on this property. Detailed results of the drill programme were reported in a press release dated December 3, 2013 which may be found on www.sedar.com.

Also during the 2013 programme, four grab samples taken in two different skarns, returned between 27.8 and 88.4 ppm indium. Indium is a specialty metal used in solar cells, semi-conductors and other high tech applications and sells for approximately \$800 US per kilogram. As a result of the positive results from the 2013 drilling, Aurania has formulated a second programme at Mont Chemin to consist of drilling several zones from underground in the Hubacher tunnel, an existing adit that was driven to explore for fluorite mineralization in the 1980's. In the summer of 2014, the exploration team ran a new sampling campaign of all the accessible skarns of Mont-Chemin in order to test the indium content and search for other elements. Hence a total of 22 grab samples were taken from 11 different skarns and sent to ALS in Galway (Ireland) to be assayed for gold and other metals, and in particular, indium. Only three samples returned indium values in excess of 20ppm, and all returned less than 1% combined lead and zinc. These values are not sufficient to encourage a follow-up programme. Further, no economic gold values were returned.

Management has formulated a summer exploration program however the decision to implement the program will be made only if a) a new five-year permit has been granted by the Cantonal Authority, b) its implementation is viable, c) adequate financing is available and d) equipment is readily available.

Siviez

In late 2013, the Company completed a 623m drill programme, in four holes. These holes were selected to better understand the structural geology with the goal of improving target selection for a more significant drill programme initially planned for the 2014 field season. As a result, although no significant anomalies were intersected by these initial four holes, it is important to note that the Siviez property has uranium-copper mineralization exposed along more than a six km strike length.

As a next step, a programme of comprehensive structural mapping is being considered to better constrain future drilling. The mineralization straddles the contact between the Nendaz Series, a Permo-Carboniferous unit of greenschist metamorphosed fluvial to fluvial-deltaic sediments, and the Siviez Series, a complex of predominantly banded metamorphosed mafic volcanic rocks. Uranium mineralization observed in outcrop at Siviez consists of disseminations, pods, and swarms of small veins of pitchblende and coffinite, together with pyrite and ubiquitous copper sulphides (chalcopyrite, tetrahedrite, chalcocite and covellite) as well as secondary copper carbonates (azurite and malachite). Native gold has been identified but its distribution at Siviez is as yet unclear.

Management believes further exploration at Siviez would be warranted from a technical aspect, however, the decision to proceed in 2015 will be highly dependent on a) obtaining a new five-year permit and b) raising sufficient funding.

Marécottes

There has been no exploration activity at Marécottes since 2012. This has been largely due to its lack of accessibility, and large funding requirement. However the technical team still advocates there would be merit to implement a future survey programme consisting of radon-in-soil surveying selected target areas within and in the contact zones of the Vallorcine Granite along with prospecting, mapping and sampling along key new mineralized zones identified in 2009 and 2010.

Management is in the process of applying for a new five-year permit for this project, however, Management does not foresee exploration being advanced until later this year (2015) or in the spring/summer of 2016, as general interest in uranium equities and the low demand for uranium itself continues to languish.

Mining Permits Status and Renewals

The Company's three exploration permits were renewed by the Cantonal Authority in Q4 of 2014, and are valid until June 2015. To date, the key requirements imposed to maintain the permits in good standing have all been satisfied except for the drilling obligations which have only partially been met due to financial constraints. Accordingly, the area of the permits, at the discretion of the Cantonal Authority, may be reduced proportionately and the Company has the right to select the areas to be maintained.

Aurania has commenced the application process for new permits and has asked for reduced financial and technical requirements.

B. FINANCIAL PERFORMANCE

At March 31, 2015 the Company had cash of \$77,269 and current liabilities of \$44,925 (\$211,340 cash and \$34,367 of current liabilities at December 31, 2014). This net cash position is insufficient to meet the annual operating costs of the Company. As the Company is not yet in production and has no other regular source of income, the Company will have to secure financing to meet its general and administrative costs and advance its exploration activity.

Q1 expenditures, year over year, were 13% lower primarily due to reduced regulatory and transfer agent fees for less trading related activities and transactions and lower fees for annual audit and tax return costs. The Company spent 35% less on exploration activity for the same period as the technical team was focused only on submitting new five-year permit applications.

In comparing the reporting period(s) of Q1 in the years 2015 and 2014, the following costs were higher in 2015:

- Bank charges rose from \$596 to \$864 due to a general increase in the bank's tariff for wire transfers and monthly service costs; notably these charges also increased as cash balances lowered. The Company has recently moved all its banking transactions to one institution which should result in lower service charges going forward; and
- Office and general expense was higher (\$28,900 in 2015 compared to \$26,438 in 2014) primarily due to higher rent costs commencing July 2014 when a new four-year lease took effect.

Alternatively, the following costs were lower in 2015:

- Insurance cost of \$2,046 (2014 - \$2,830) was less as a result of negotiating a lower rate of premium for the insurance coverage sought;
- Regulatory and transfer agent fees of \$7,718 were lower than those incurred in 2014 (\$9,078) due to reduced trading-related transactions and activity and a timing difference of Bermuda company costs;
- Professional and administration fees of \$14,691 were higher in 2014 (compared to \$6,230 in 2015) due to the higher audit costs and AGM costs incurred in late 2013; and
- Finally the Company recorded a foreign exchange loss of \$212 compared to a much larger exchange loss of \$8,492 in 2014. This is mainly due to the lesser movement in the Canadian dollar against the Swiss franc and the impact on accounting results from less spending.

Management continues to look for ways to reduce spending for overhead and public company costs.

1.7 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Net Revenue (\$) ⁽¹⁾	Net Loss (\$)	Loss per Share (\$)
March 31, 2015	114	142,463	0.006
December 31, 2014	199	91,433	0.003
September 30, 2014	468	163,510	0.007
June 30, 2014	289	151,639	0.007
March 31, 2014	1,407	216,053	0.009
December 31, 2013	1,934	370,148	0.016
September 30, 2013	3,079	239,385	0.011
June 30, 2013	NIL	785,970	0.036

⁽¹⁾ Interest income earned before July 2013 was nominal and offset against bank service charges.

1.8 LIQUIDITY

As an exploration company, the Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets. As the Company has no producing assets, continued operations are dependent upon its ability to raise additional financing through issuance of equity, debt or by the disposition of assets.

The Company's liquid assets at March 31, 2015 consisted primarily of cash of \$77,269 (\$211,340 at December 31, 2014). All of the Company's cash is held on deposit, earning interest where applicable, in accredited Canadian and Swiss banks, in denominations of Canadian Dollars, Swiss Francs and Euros.

1.9 CAPITAL RESOURCES

The business of mining and exploration involves a high degree of risk. Aurania's continued existence is dependent upon the discovery of economically recoverable resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, obtaining certain government approvals and attaining profitable production.

Historically the Company has relied on private equity financings and loans from related parties to secure sufficient capital to allow the Company to meet its obligations. At March 31, 2015, the Company had working capital of \$58,785 (\$179,830 at December 31, 2014) which is insufficient to meet all of the Company's projected expenses for the ensuing 12 months. At March 31, 2014, the Company was better positioned financially, with working capital of \$371,127 derived from the successful completion of the Company's IPO in April 2013.

Working capital will continue to fluctuate until the Company has achieved profitable levels of operation and profitability will not occur within the next twelve months; therefore Management will need to raise additional funds during the year to finance corporate and exploration expenditures. While the Company is making an earnest effort to achieve its plans by examining various financing alternatives, it is most likely that Management will seek short-term loans to generate funds for operations. These loans may be either internal or external in nature.

Operating Activities

During the three months ended March 31, 2015, the Company reported a net loss of \$142,365 (March 31, 2014 - \$216,053). This is principally comprised of exploration expenses (all of which are project management consulting fees) of \$25,053, stock-based compensation of \$21,418 and the balance of \$95,894 was expended for general overhead, transfer agent and regulatory fees and professional, management and directors' fees. In 2014, increased exploration and financial activities resulted in the Company reporting a net loss of \$216,053 principally attributable to \$38,673 of project management costs, \$66,264 stock-based compensation expense and the balance of \$104,031 for items of general overhead and public company operations costs which are averaging \$35,000 each month.

Investing and Financing Activities

There were no investing and financing activities during the three months ended March 31, 2015 and 2014.

1.10 OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off balance sheet arrangements or obligations other than exploration commitments.

1.11 RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

- (i) During the three months ended March 31, 2015 a total of \$15,000 (2014 - \$15,000), plus applicable taxes was charged to the Company by the CFO on account of management consulting fees.
- (ii) During the three months ended March 31, 2015 a total of \$15,000 (2014 - \$15,000) was paid for directors' fees. Included in trade and other payables at March 31, 2015 and December 31, 2014 is \$3,750 due to a director. This amount is unsecured, non-interest bearing and due on demand.
- (iii) During the three months ended March 31, 2015, the Company incurred \$47,400 of service costs that were paid to Geosource Exploration Ltd., ("Geosource"), a company controlled by the Chairman and President of the Company. These costs were approved by the Board of Directors under an agreement in effect since January 1, 2013. These costs were allocated in the interim financial statements as follows: \$28,900 to office and general (including \$26,400 rent), \$12,500 to investor relations and \$6,000 to administration fees.

During the three months ended March 31, 2014, the Company incurred \$45,000 of service costs that were also paid to Geosource. These costs were allocated in the interim financial statements as follows: \$26,400 to rent (under office and general), \$12,600 to investor relations and \$6,000 to administration fees.

- (iv) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company. The remuneration of key management and directors of the Company (net of applicable taxes) was as follows:

For the three months ended March 31,	2015	2014
	(\$)	(\$)
Directors' fees	15,000	15,000
Management fees	15,000	15,000
Stock-based compensation value	17,135	64,256
	47,135	94,256

1.12 PROPOSED TRANSACTIONS

The Company has no proposed transaction, specifically with the immediate intent to acquire any additional asset, or dispose of any asset of the Company. However, from time to time, and similar to other junior mineral exploration enterprises, the Company may acquire or dispose of property assets as exploration results, opportunities, competitive nature of the business, venture-capital availability and Management may determine.

1.13 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS***Changes in Accounting Policies***

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2015. These changes were made in accordance with the applicable transitional provisions. The nature and effect of the changes are explained below.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

IFRS 13 - Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

IAS 24 - Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the condensed consolidated interim financial statements.

New Accounting Standards

The following has not yet been adopted and the Company has not yet determined the impact, if any, on the Company's condensed consolidated interim financial statements:

IFRS 9 - Financial Instruments ("IFRS 9") introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 - *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value. The IASB has issued an amendment to IFRS 9 - *Financial Instruments ("IFRS 9")*, which changes the effective date of IFRS 9 (2009) and IFRS 9 (2011), so that IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2018, with early application permitted. This amendment was released in connection with IFRS 7 *Financial Instruments: Disclosures – Transition Disclosures ("IFRS 7")* which outlines that, with the amendments to IFRS 9, entities applying IFRS 9 do not need to restate prior periods but are required to apply modified disclosures.

1.14 RISKS AND UNCERTAINTIES

An investment in the common shares of the Company is speculative in nature and involves a high degree of risk.

Exploration, Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to the property, and possible environmental damage. None of the properties in which Aurania has an interest has a known body of commercial ore. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that any of Aurania's mineral exploration and development activities will result in discoveries of commercially viable bodies of ore. In addition, although Switzerland is one of the least risky countries in the world for doing business, exploring in a foreign jurisdiction subjects non-Swiss exploration companies to additional risks including potential political change, arbitrary changes in law or policies, inability or delays in getting government permits, limitations on foreign ownership and other risks not specified here. Foreign currency fluctuations may also adversely affect the Company's financial position and operating results.

Management of Aurania attempts to mitigate all the risks associated with exploration and mining and minimize their effect on the Company's financial performance, but there is no guarantee that the Company will be profitable in the future and the Company's Common Shares should be considered speculative.

Title

Property title may be subject to unregistered prior agreements and non-compliance of regulatory requirements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the title to the permitted properties.

Environmental Matters

The Company's mining and exploration activities are subject to various federal, cantonal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has arranged for the deposit of a substantial guarantee to ensure adequate funding to meet any future expenditure to comply with such laws and regulations. How much the Company will pay and when the Company will pay such expenditures is undetermined.

Foreign Country Risk

The property interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

The Company mitigates foreign country risk by keeping apprised of Switzerland's economic and political climate and by relying on certain advisors, including technical and financial consultants to inform Management of any proposed change to the laws and regulations that could significantly impact the financial results of the Company.

Financial Instruments

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The Carrying amounts of cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities on the statements of financial position approximate fair value because of the limited term of these instruments.

Fair value estimates are made by the Company at the date of the statement of financial position based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision.

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

In general, risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures during the three months ended March 31, 2015 and 2014.

(a) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, sundry receivables and other investments.

The Company has no significant concentration of credit risk arising from its operations. Cash is held at select reputable Canadian and Swiss financial institutions, from which management believes the risk of loss to be remote.

(b) Liquidity risk

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time.

The Company's approach to managing liquidity risk is to maintain sufficient readily available cash to continue operations and meet its financial obligations as they become due. Although the Company has no significant financial obligations, Management recognizes that to meet its ongoing overhead expenses, and to advance the projects going forward the Company will have to raise adequate financing in the market, most likely through debt mechanisms or by the disposition of assets and that may result in taking on greater financial obligations and potentially increased liquidity risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as fluctuations in foreign exchange rates and interest rates that will affect the Company's net earnings or the value of its financial instruments.

(i) *Interest rate risk*

Excess cash is deposited in highly-accessible and low-interest bank accounts that are used for short-term working capital requirements.

The Company regularly monitors compliance to its cash management policy and is satisfied with the credit worthiness of its financial institutions.

(ii) *Foreign currency risk*

Certain of the Company's expenses are incurred in Swiss francs ("CHF") and Euros and are therefore subject to gains or losses due to fluctuations in these currencies.

Management believes that the foreign exchange risk derived from currency conversions is best served by not formally hedging its foreign exchange risk. However the Company maintains bank accounts in foreign currency denominations in order to meet its trade payable obligations on a timely basis and with minimal foreign exchange risk.

Recent changes in fiscal (currency) policy in Switzerland has potentially added significantly to the cost of the Company's future exploration programmes.

Management will have to factor in the potential increase of expenses incurred in Switzerland when raising capital for its projects.

At March 31, 2015 and 2014, the Company's exposure to foreign currency risk with respect to amounts denominated in CHF, was substantially as follows:

<i>In Canadian \$ equivalents</i>	March 31, 2015	December 31, 2014
Cash	\$10,601	\$9,683
Trade and other accounts payable	(3,373)	(5,254)
Net exposure	\$7,228	\$ 4,429

Exposure to foreign currency risk with respect to amounts denominated in other foreign currencies at these dates was immaterial.

(d) *Commodity price risk*

Commodity price risk is defined as the potential adverse future impact on earnings and economic value due to commodity price movements and volatilities. Commodity price risk could adversely affect the Company.

In particular, the Company's future profitability and viability of development depends upon the world market price of gold, uranium and other metals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as saleable metals may be produced in the future, a profitable market will exist for them. As of March 31, 2015 and 2014, the Company was not a metals commodity producer. Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants.

(e) Sensitivity analysis

The Company is exposed to foreign currency risk of fluctuations on financial instruments that are denominated in Swiss francs (CHF) and Euros related to cash balances and trade accounts payable.

As of March 31, 2015 and December 31, 2014, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. The Company believes that a 10% strengthening of the Canadian dollar against the Swiss franc at period end would have decreased the net asset position of the Company as at March 31, 2015 by \$723 (December 31, 2014 - \$443). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

1.15 COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, cantonal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

Pursuant to exploration permit requirements Dr. Barron, a director, officer and principal shareholder of the Company has personally lodged a CHF 500,000 (\$655,400) bank guarantee in connection with any potential reclamation costs to be incurred by the Company in connection with its claims in Switzerland. To date the Company is unaware of any known environmentally assessed costs.

Service Costs and Consulting Agreements Commitments

The Company maintains a service costs agreement with a company controlled by the President and CEO at an annual cost of \$189,600. *Full terms of this agreement are noted in the 2014 Annual Financial Statements.*

The Company maintains consulting contracts with the Chief Financial Officer and Chief Geologist which are renewed by the Board on an annual basis. *Full terms of these contracts are noted in the 2014 Annual Financial Statements.*

The President, CEO and Chairman receives no consulting fees or salary compensation but has been granted options under the Company's stock option Plan. *Full terms of all stock options grants are noted in the 2014 Annual Financial Statements.*

1.16 QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Aurania's Chief Geologist, Jean-Paul Pallier, a designated EurGeol by the European Federation of Geologists and 'Qualified Person' for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.