AURANIA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the Year Ended December 31, 2015
(Expressed in Canadian Dollars unless otherwise indicated)

The following Management's Discussion and Analysis ("MD&A") is Management's review of the financial condition and results of operations for the year ended December 31, 2015 (the "reporting period") of Aurania Resources Ltd. ("Aurania" or the "Company"). This MD&A is prepared as at April 22, 2016 unless otherwise indicated and should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2015 (the "Financial Statements") and the consolidated financial statements and the related notes for the year ended December 31, 2014 ("2014 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 "ARU".

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING AND CONTROLS

The 2015 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 APRIL 22, 2016

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 February 23, 2016 the Board of Directors announced the change of the Company's trading symbol to "ARU".

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

Stefan Ansermet
Bruno Pellaud

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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.

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 increased its focus on identifying and evaluating other potential gold and other precious metals exploration projects as industry conditions have created opportunities for companies such as Aurania, to expand their asset base.

Share Data

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2013, and 2014	22,759,735	350,000 [1]	1,860,000[2]	24,969,735
December 31, 2015 and April 22, 2016	22,759,735	-	1,830,000	24,589,735

[1] Broker warrants were issued in connection with the Company's 2013 IPO and subsequently expired April 11, 2015

[1] 30,000 stock options expired in May 2015

1.3 STRATEGY AND OBJECTIVES

- Identify and evaluate new opportunities with the goal of acquiring additional mineral exploration projects that would attract investors, with a focus on gold and other precious metals properties
- Await the issuance of new exploration permits in Switzerland
- Continue to minimize corporate costs
- Raise additional funds during the year to finance corporate and exploration expenditures

CHALLENGES IN ACHIEVING OBJECTIVES

- Identification, evaluation and negotiation for additional high quality projects is a costly and lengthy process
- Obtaining permit renewals in Switzerland may be a protracted process as the Mining Laws are being revised
- Management must continue to pursue financing options including additional short term loans to address the low cash position
- Equity financing for exploration plays continues to be in short supply

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

Financial Position

As at December 31, 2015, the Company had not yet achieved production, and had accumulated losses of $6,312,232 (December 31, 2014 - $5,950,556).

For the three months and year ended December 31, 2015, ("the Reporting Period"), the Company posted net losses of $92,384 and $444,149 respectively ($91,433 and $622,635 for the comparable periods in 2014). Trade and other payables are short-term and non-interest bearing. During the reporting period the Company received $162,100 from a company controlled by the President and Chairman (the "Lender"), pursuant to a short-term, non-interest bearing promissory note. To date the Lender has advanced a total of $235,219 to the Company. Management continues to rely on loans from the Company's major shareholder to meet its financial obligations.

Operating Results

During the year ended December 31, 2015, the Company recorded $34,312 ($75,414) of exploration expenditures and $24,038 ($138,825) of share-based compensation expense. These combined expenditures represent 13% (34%) of the total operations expenses for the period. Generally all discretionary expenses were lower in 2015 due to the reduced exploration activity carried out during the year.

During Q4 2015, the technical team was occupied with a) corresponding with the Swiss Canton Geologist regarding the status of Aurania's permits and b) reviewing and assessing the technical merits of one or more potential (new) project opportunities.

During Q4 2014, the technical team was occupied with a) assessing the results of a modest grab sampling program carried out at the Mont Chemin project in Q2 of 2014; this sampling was undertaken with a view to investigating the presence of indium mineralization and b) completing the application to renew Aurania's three Swiss exploration permits.

Cash Flows

During the year ended December 31, 2015 the only source of funding was short- term, related party loans from a company with significant shareholdings, controlled by the Chairman and President.

During the same period in the prior year, Management continued to draw down on proceeds from the IPO financing completed in 2013.

1.5 SELECTED PERIOD FINANCIAL RESULTS

Financial Position as at	December 31, 2015	December 31, 2014	December 31, 2013
Cash	**$7,753**	$211,340	$892,486
Total assets	**$9,823**	$214,197	$897,746
Total liabilities	**$250,104**	$34,367	$234,106
Shareholders' (deficiency) equity	**$(240,281)**	$179,830	$663,640
Deficit	**$(6,312,232)**	$(5,950,556)	$(5,327,921)
Statement of Loss	**Year ended December 31, 2015**	**Year ended December 31, 2014**	**Year ended December 31, 2013**
Total expenses	**$(444,258)**	$(624,783)	$(1,477,397)
Other expenses/income items:			
Interest income	**$119**	$2,363	$5,013
Loss on foreign exchange	**$(10)**	$(215)	$(9,440)
Listing expenses	**$-**	$-	$(151,569)
Loss for the year	**$(444,149)**	$(622,635)	$(1,633,393)
Basic and diluted loss per share	**$0.02**	$0.03	$0.08
Cash Flow Activities	**Year ended December 31, 2015**	**Year ended December 31, 2014**	**Year ended December 31, 2013**
Operating	**$(365,687)**	$(681,146)	$(1,225,896)
Financing	**$162,100**	$-	$1,805,551
(Decrease) increase in cash	**$(203,587)**	$(681,146)	$579,655

1.6 OPERATIONS REVIEW

A. EXPLORATION UPDATE

Management has stepped up its initiative to identify and evaluate appropriate new exploration projects for the Company, with a focus on gold. The Company believes that it is beneficial to expand the Company's portfolio of prospective projects in order to attract new financings.

The Company continues to hold a 100% interest in three exploration permits (*see Permit Status*) in the Canton of Valais, through its wholly-owned subsidiary AuroVallis Sàrl ("AVS") which is a Swiss limited liability corporation. 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

An initial trenching program in 2010 on the Goilly vein on the Mont Chemin property resulted in five channel samples returning from 12.05 g Au/t across a true width of 0.90 m to 40.7 g Au/t across 0.55 m, with an average of about 22.5 g Au/t across 0.58 m. Samples were locally enriched in silver (up to 387 ppm), copper (up to 2,520 ppm), lead (>10,000 ppm), and zinc (up to 1,855 ppm). Gold-silver mineralization occurs in pyrite-bearing quartz veins typically within deformed and a sheared quartz feldspar porphyry intrusive body. Follow up field programs in 2011 and 2012 consisted of mapping and geophysics and were sufficiently encouraging to recommend a programme of diamond drilling to test the gold-silver targets.

As a result, in 2013, the Company completed 12 diamond drill holes totalling 1390 metres. Results included intersections of up to 27.93 g/t gold over 2.0 meters in hole 2013-01 and up to 25.2 g/t gold over 1.0 meters in hole 2013-03. Detailed results of the drill program were reported in a press release dated December 3, 2013 which may be found on www.sedar.com. These gold intersections are sufficiently encouraging to warrant further drill testing of the Mont Chemin targets. A second program has been planned, however, the decision to proceed with a follow-up drill program will consider a) the availability of adequate financing, b) the cost of mobilizing equipment, and c) the priority of this follow-up relative to the Company's other projects.

Siviez

Uranium and copper mineralization, accompanied by highly anomalous radioactivity, are widespread on the Siviez property. Mineralization can be identified at surface, near the contact between the Siviez metavolcanic rocks and Nendaz metasedimentary rocks, along a distance of approximately 6 km. Uranium mineralization was first identified on the property during hydroelectric tunnelling in 1957, at a depth of 800 m below surface.

The Company's exploration programs have consisted of significant surface sampling and mapping resulting in very encouraging values of uranium and copper. As a result, in late 2013, the Company completed an initial 623m diamond drill program, consisting of 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 to follow. As a result, no significant mineralization was intersected by these initial four holes.

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 as well as secondary copper carbonates. A program of comprehensive structural mapping is being considered to guide future drilling. Management believes further exploration at Siviez is warranted from a technical aspect; however the decision to proceed will be highly dependent on raising sufficient funds and the relative priority of the Company's projects.

Marécottes

There has been no exploration activity at Marécottes during the reporting period. This has allowed Management to focus its resources on the Mont Chemin and Siviez projects. However, the technical team still advocates there would be merit to implementing further exploration on selected target areas within and in the contact zones of the Vallorcine Granite where new mineralized zones were identified in 2009 and 2010. However, Management does not foresee this happening until late in 2016 or well into 2017.

Permit Status

Prior to December 31, 2015, the Canton Authority (the "Ministry") confirmed that:

- The original exploration permits and their extended periods expired in June 2015;
- The Mining Law on which the above-noted permits were originally issued, is under revision;
- The Ministry is prepared to issue new permits once the new Mining Law comes into effect;
- The original financial requirements of the permits were too high in comparison to international standards and the Ministry is open to discussion of revised terms; and
- The Ministry accepted the Company's request to "freeze" the permits until the end of 2015 in order that the Ministry can work on revising the Mining Law.

As of April 20, 2016, the Mining Law is still being revised and Management believes the "freeze" status of the permits is still in effect.

The areas included in the original permits were as follows:

- Mont Chemin Project (gold-silver) **31.0 km^2**
- Marécottes Project (uranium) **36.0 km^2**
- Siviez Project (uranium-copper-gold-silver) **31.6 km^2**

However, going forward, the Company has requested a reduction in the permit areas and the Ministry has accepted this proposal, in principle.

B. FINANCIAL PERFORMANCE

At December 31, 2015 the Company had cash of $7,753 ($211,340) and trade and other payables totaling $88,004 ($34,367) and a promissory note of $162,100 ($nil). At April 15, 2016, the promissory note liability has increased to $218,209. 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.

In 2013, operations included an equity raise which financed drill programs on two projects. In 2014, operations primarily included the interpretation of the results from the 2013 drill programs and formulating 'next steps' exploration programs. In 2015, our exploration permits expired and the technical team applied for new five-year permits (*See Permit Status*). Thus unlike 2014 and 2013, there was no significant exploration activity during 2015. Corporate expenditures of $388,908 ($410,544) were slightly lower (5%) year over year primarily due to the reduced monthly service costs incurred *(see Comparatives).* Stock-based compensation of $24,038 was recorded for the balance of the value assigned the stock options previously granted in 2013, now fully vested. The $138,825 of stock-based compensation recorded in 2014 related to the amortization of the value assigned to the same stock options, for the prior year.

Comparatives

In comparing the reporting period(s) of December 31, 2015 and 2014, the following costs were higher in 2015:

- Regulatory fees and transfer agent costs were marginally higher (3%) due to increased costs of the annual fees charged by the Bermuda Monetary Authority and our Bermuda legal counsel for corporate secretarial services. Both these costs are basically non-negotiable and a requirement. Additional there were extra TSXV filing fees charged for approving the Company's stock option plan for two AGMs held in 2014 (but paid for in 2015), for which costs had not been previously accrued.

Costs that were lower in 2015 compared to 2014 included:

- Exploration expenses were significantly lower as the Company's Chief Geologist was only engaged on an "as needed basis" and for the reporting period, primarily worked on the new permit applications. .
- Office and general expenses were less partially due to the Company renegotiating a reduced monthly service cost to Geosource Exploration Ltd. ("Geosource"), a provider controlled by a major shareholder and director, from $15,800 to $10,800., commencing October 2015. This will contribute to an overall reduction of $60,000 annually for such services as rent, website, IT, investor relations and telecommunications.

1.7 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Net Revenue ($)	Net Loss ($)	Loss per Share ($)
December 31, 2015	5	92,384	0.005
September 30, 2015	-	113,953	0.005
June 30, 2015	-	95,349	0.004
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

1.8 LIQUIDITY

Aurania 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 resources. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets.

At December 31, 2015 the Company had cash of $7,753 (2014 - $211,340) to satisfy liabilities of $250,104 (2014 - $34,367). Therefore liquidity risk is higher than in previous years as there is a significant excess of financial obligations over financial assets at this time.

1.9 CAPITAL RESOURCES

As the Company has no producing assets, nor any other source of regular income, it is incumbent upon Management to pursue various financing options, including additional short-term loans, to address the Company's ongoing working capital needs. The Company is not subject to externally imposed capital requirements by a lending institution or regulatory body, with the exception of the TSX Venture Exchange ("TSXV"), which has set certain minimum requirements to maintain a listing that include working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at December 31, 2015, the Company may not be compliant with the policies of the TSXV but has not been notified of such a deficiency or any possible impact, which is ultimately dependent upon the discretion of the TSXV.

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 financial obligations. At December 31, 2015 the Company had a working capital deficiency of $(240,281), (compared to a surplus of $179,830 in 2014), which is insufficient to meet all of the Company's projected expenses for the ensuing six months. In order to fund this projected shortfall, Management will continue to a) rely on short- term loans from its major shareholder and b) identify and examine other opportunities which could be potentially financeable. There is no assurance that either strategy will result in positive funding but the Company believes these strategies to be sound for continuing operations.

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:

(a) During the year ended December 31, 2015:

(i) A total $60,000 (2014 - $60,000), plus applicable taxes was charged to the Company by the CFO on account of management consulting fees. Included in trade and other payables at December 31, 2015 is $11,300 (2014 - $nil) owed to the CFO. This amount is unsecured, non-interest bearing and due on demand.

(ii) A total of $60,000 (2014 - $60,000) was recorded for directors' fees. Included in trade and other payables at December 31, 2015 is $15,000 (2014 - $3,750). This amount is unsecured, non-interest bearing and due on demand.

(iii) The Company incurred $176,400 (2014 – $185,600) of service costs that were payable to Geosource. These costs were allocated in the consolidated financial statements as follows: $134,900 (2014 -$124,600) to office and general (including $94,200 rent (2014 - $105,600), $22,400 (2014 - $25,000) to investor relations, $8,000 (2014 - $12,000) to professional and administrative fees, $11,100 to management and directors' fees (2014 - $nil) and $nil

(2014 - $24,000) to exploration expenses. Included in trade and other payables at December 31, 2015 is $33,522 (2014 - $nil) owed to Geosource. See note 12.

(iv) A company controlled by the Chairman and President provided $162,100 (2014 - $nil) of short-term advances to the Company in the form of promissory notes (notes 6 and 13).

(b) Key Management Compensation

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 years ended December 31,	**2015**	2014
Management fees	**$60,000**	$60,000
Directors' fees	**60,000**	60,000
Stock-based compensation	**19,917**	107,949
	$139,917	$227,949

1.12 PROPOSED TRANSACTIONS

The Company has no proposed transaction to acquire or dispose of any asset, however Management has been actively Identifying and evaluating new opportunities with the goal of acquiring additional mineral exploration projects that would attract investors.

1.13 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

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

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2016, and have not been applied in preparing these consolidated financial statements. Many are not applicable or do not have a significant impact to the Company and have been excluded. Management has not yet considered the potential impact of their adoption and does not plan to adopt these standards early.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined however early adoption is permitted.

IAS 1 - **Presentation of Financial Statements ("IAS 1")** was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

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 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 has deposited 2,400 Swiss francs ("CHF") with the Canton to cover the cost of any potential reforestation costs at Mt. Chemin. Otherwise, the Company believes its operations are materially in compliance with all applicable environmental laws and regulations. How much or when the Company will pay, in additional remediation costs, 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 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 years ended December 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. Currently, the Company's liquidity risk is higher than in previous years due to its low cash position. Management's plans to address this risk are hereinbefore discussed in the Capital Resources section.

(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 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 meets its trade payable obligations on a timely basis and with minimal foreign exchange risk.

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

	December 31,	
In Canadian $ equivalents	**2015**	2014
Cash	**$5,868**	$9,683
Trade and other accounts payable	**(6,288)**	(5,254)
Net exposure	**(420)**	$ 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 certain 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 December 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 CHF and Euros related to cash balances and trade accounts payable.

As of December 31, 2015 and 2014, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. Based on Management's knowledge and experience of the financial markets, the Company believes that a 10% strengthening of the Canadian dollar against the CHF would have increased (decreased) the net asset position of the Company as at December 31, 2015 by $42 (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.

One of the requirements of the original five-year exploration permits for the Company's Swiss projects, was the establishment of a bank guarantee of CHF 500,000 (Cdn. $698,500) for environmental remediation. This requirement, together with other financial and technical conditions, to maintain the validity of new five-year permits, is currently being renegotiated with the Canton Authority. In 2015, the bank guarantee was withdrawn by the Company however CHF 2,400 was deposited with the Canton towards any potential reforestation costs.

Service Costs and Consulting Agreements Commitments

In 2013, the Company entered into a service costs agreement with Geosource, at a monthly cost of $15,800. Effective October 2015 this monthly cost was renegotiated down to $10,800. This agreement may be terminated by the Company with 90 days' written notice of the Company's intention to terminate the agreement.

Since 2013, the CFO has been providing services pursuant to an annual, renewable consulting agreement. Accordingly, the CFO is remunerated at the rate of $60,000 per annum (plus applicable taxes). Early termination of the contract requires 90 days' written notice by the party terminating the agreement therein.

Full terms of these agreements are noted in the 2013 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.