



Dear Shareholder,

It has been quite a year of accomplishment for the Aurania staff in Canada and the staff of EcuSolidus, S.A., our wholly-owned subsidiary in Ecuador.

Just one year ago, in April of last year, we completed our acquisition of EcuSolidus. This was a significant turning point for the Company, providing us with a large, 2,080 square kilometer exploration project, along strike and to the north of the multi-million ounce, Fruta del Norte gold development project in Ecuador. Years of research in the libraries of the Vatican and Seville have provided information supporting the presence of historical centres of gold mining by the Spanish in the eastern areas of Ecuador that are now part of Aurania's "Lost Cities – Cutucu Project" exploration concessions.

My involvement with Aurelian Resources and the discovery of the Fruta del Norte gold deposit in 2006 was the impetus to continue the search for additional world-class discoveries in Ecuador. In May 2017, we were very pleased to appoint Dr. Richard Spencer as President of the Company. Richard has an impressive track record of gold and copper discoveries in Ecuador. Together, Richard and I have decades of experience working in Ecuador.

If you have been following along with our press releases and video series, you will see that we have been very active in the field on several different fronts. Our airborne geophysical survey was completed in November of last year and this has yielded a number of magnetic targets for follow-up. At our first target cluster, Awacha, we have found large zones of breccia and strong quartz-sericite-pyrite (QSP) alteration. QSP alteration is a hallmark of porphyry copper systems, and we are convinced that ultimately, we will discover porphyry-style mineralization at this site. This however is only one of many magnetic targets that needs ground-truthing and follow-up.

Certainly, of equal importance is our Latorre Target, which has now morphed into 5 separate targets over a 10 km by 10 km area. This is shaping up to be an extremely interesting site with evidence of a very strong mineralizing system. Our most exciting target, Crunchy Hill, is a minimum 1,400 metres long and consists of strong silica flooding, epithermal veining, acid leaching and iron gossan formation. These are all potentially indicative of a substantial gold-silver target at depth. At this stage we are of course speculating, however all the geological and geochemical evidence is pointing towards a system which is similar to Fruta del Norte, some 110 kilometres away in the southern part of the belt. Crunchy Hill and its vicinity is enriched in the pathfinder elements arsenic, antimony, silver, selenium, mercury, tellurium and thallium. While many of these chemical elements may be new to you, specialists in Economic Geology know that these are characteristic "volatile" elements and are conveyed to the surface by epithermal systems at depth through hot springs, geysers, and fumaroles (steam vents). The gold zone would be expected to lie at depth where geothermal fluids boiled and dropped their gold. Fruta del Norte has virtually no gold on surface, though the site is enriched in arsenic, antimony and mercury. We are hoping that we're correct and this is a lookalike. Our plan is to drill Crunchy Hill and other targets later in the year. Drill permits have been applied for with the Ministry of the Environment.

Just a few weeks ago our field geologists discovered the "Charip" (Thunder) epithermal target, a full 50 kilometers north of Crunchy Hill! As they say in journalism "watch this space" for potentially exciting news about this new target in the future.

With our years of experience in Ecuador and by building a solid Corporate Social Responsibility Group, we have been making great strides in engagement with the local Shuar indigenous community. In the past, some exploration companies have chosen not to inform or engage in dialogue with the local stakeholders and this has bred an environment of distrust and rumour-mongering. We believe that the only approach that works is



complete transparency with the community and stakeholders, which is fostered by integrating local people into the exploration activity itself. We have several local Shuar working for the Company, including two of our geologists. Our intention is to help the Shuar develop marketable skills that will make the project sustainable for all. Recently, I was introduced to the Shuar community of the village of Cascadas in a traditional welcome ceremony.

Finally, the Lost Cities – Cutucu Project has been attracting much attention from the international press. A presentation I did in Santiago, Chile, sufficiently interested a local reporter from Bloomberg, that the idea of an in-depth article was brought to head office in New York. Reporter Laura Millan spent five days with us in Ecuador and together with Danielle Bochove, who had interviewed me in Toronto, wrote an article that went out to approximately 200,000 Bloomberg terminals worldwide, and was reproduced in the print magazine Bloomberg-Businessweek (in both English and Spanish editions). This article also appeared on the Bloomberg website. More recently, a film crew of three from HBO-Vice News spent ten days in the field with us, including two and a half days camping out in the jungle. Vice News has a viewership on television of 800,000 and a web following of more than 4 million. In April, Vice News partnered with BBC World, and as at time of writing I am informed the footage will be shown on television to a worldwide audience later in May! Slowly but surely, we are introducing your company, Aurania, everywhere. Because of the exposure, half of our trading volume is in the USA, whereas before there was none. We have recently applied for a listing on the OTCQB platform to facilitate trade by US-residents.

For those of you who are attending Aurania's **Annual General & Special Meeting of Shareholders on June 13, 2018**, I will provide an overview of our Lost Cities – Cutucu Project at 3:00 p.m. EST. This is prior to the formal part of the Meeting, which will commence at 4:15 p.m. **in the Caledonia Room-S7 at Vantage Venues, 150 King Street East, 27th Floor, Toronto.**

All in all, we are building as if we have a world-class discovery, because ultimately, we believe that's what we will have. These are exciting times. I wish to thank each and every one of you for your support of our efforts and your encouragement.

“Keith Barron”

Dr. Keith Barron, Chairman and CEO