



**AURANIA**

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**AURANIA RESOURCES LTD.**

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

**For the Three and Nine Months Ended September 30, 2019**

(Expressed in Canadian Dollars unless otherwise indicated)



## 1 INTRODUCTION

Aurania Resources Ltd. (“Aurania” or the “Company”) is a publicly traded junior mining exploration company engaged in the identification, evaluation, acquisition, and exploration of mineral property interests, with a focus on precious metals and copper in South America. Aurania’s principal asset is a 100% holding of the Lost Cities – Cutucu project (“Project”) that covers approximately 208,000 hectares (“Ha”) in southeastern Ecuador. This Management’s Discussion and Analysis (“MD&A”) is a review of the financial condition and results of operations by the management (“Management”) of Aurania for the three and nine months ended September 30, 2019 (the “Reporting Period”). This MD&A is prepared as at November 19, 2019, unless otherwise indicated, and should be read in conjunction with the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2019 and the notes related thereto 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”) – <http://www.sedar.com> and are also available on the Company’s website <http://www.aurania.com>.

## 2 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 related with exploration concepts 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, silver and copper), currency exchange rates (such as the Canadian Dollar (“\$”) and Swiss Franc (“CHF”) and the United States Dollar (“USD”)), changes in accounting policies, risks related to non-core asset disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in exploration 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, poor success of exploration sites, permitting timelines, 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 to 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.

### 3 Q3 2019 HIGHLIGHTS

#### Exploration

- **Reconnaissance exploration:**
  - Reconnaissance exploration has been completed over 50% of the 207,764Ha concession area. This program has resulted in the definition of the following targets:
    - 20 epithermal targets for gold and silver;
    - Sedimentary-hosted high-grade copper-silver in sporadic exposures through thick jungle cover over 23 kilometers (“km”);
    - 7 targets for intrusive-related copper; and
    - Silver-zinc-lead mineralization with barite has been identified in sporadic outcrops along a trend of 15km.
- **Geophysics:**
  - Numerous intrusive-related targets for copper mineralization are evident in geophysical data from the Project. Seven of these have been field-checked and show evidence of copper-mineralization.
- **Follow-up exploration:**
  - The following epithermal gold-silver targets are being mapped to refine the nature of the targets:
    - A new target at Yawi (Yawi F);
    - An area west of Crunchy Hill;
  - The following epithermal targets are being soil sampled to determine if they warrant scout drilling:
    - A fifth target at Yawi (Yawi E);
    - Apai;
  - Sediment-hosted copper-silver targets: The focus is on determining the continuity of mineralization within specific sedimentary layers through mapping and soil sampling in the Tsenken target area:
  - Intrusive-related copper targets: The Tsenken N2 target is being systematically soil sampled and mapped in preparation for potential scout drilling with an ultra-light rig that has the capacity to drill to a maximum depth of 200m.
- **Scout drilling:**
  - Yawi A target: commenced subsequent to period end, on October 24, 2019. The Company’s current plan is to drill three to four holes of between 350 metres (“m”) and 500m in length on each of the four targets at Yawi, while a fifth is being soil sampled and mapped, and may be ranked for scout drilling;
  - Crunchy Hill: scout drilling was conducted between March and May, 2019, with nine diamond drill holes completed for 3,204m. Alteration mineral vectors identified in core from this drill program indicate that mineralization is likely located at greater depth. Two target areas were identified for further deeper drilling to be considered in due course.
- **Other exploration initiatives:**
  - Metron: On July 3, 2019, the Company announced that it had contracted Metron Incorporated (“Metron”) to assist in the search for the “Lost Cities” (16<sup>th</sup> Century mining sites) by applying Bayesian Search Theory to the historic and scientific exploration data from the Project. An early update on this approach was provided on September 26, 2019. Further updates will be provided as data sets are added to the analysis. The principal objective of the work is to identify geographic areas with the highest likelihood of containing the Lost Cities of Logrono and Sevilla. An additional objective is to extend this mathematical approach to the Company’s exploration data to identify targets that may have been overlooked in conventional exploration analysis techniques; and
  - LiDAR: A contract was signed with VeriDaas on July 16, 2019 to undertake a detailed LiDAR survey of the whole Project area.



## Corporate Social responsibility (“CSR”)

- Access agreements have been signed with 59% of the communities in the Project area and discussions with other communities are on-going;

## Environment & Water

- Environmental work is focused on the area of scout drilling at Yawi, as well as in the areas in which scout drilling is planned. Application for water-use permits is made as soon as targets are identified for scout drilling.

## Mineral Property Interests

- **Mineral Concessions - payment of 2019 fees:**
  - Between March 13 and 15, 2019, a total of USD2,046,475 (\$2,727,812) was paid in concession fees to the Ecuadorian government. Concession fees are a key part of maintaining the 42 concessions that constitute the Project in good standing;
- **Advances for Mineral property interests**
  - The Company has made refundable and transferable advances of approximately \$2.4 million to acquire additional mineral property interests.

## Finance

During the nine months ended September 30, 2019 the Company:

- Raised \$5,254,666 through the issuance of 1,946,172 common shares by way of a Rights Offering (“RO”);
- On January 28, 2019 converted a USD2.0 million convertible debt, owned by the Chairman, CEO and principal shareholder (“Principal Shareholder”) of the Company into 877,192 common shares;
- Extended the maturity date on a \$588,620 Promissory Note to the Principal Shareholder to May 29, 2020;
- On April 22, 2019 entered into a USD3,000,000 Shareholder Loan with the Chairman, CEO and Principal Shareholder of the company. The loan is unsecured, has a term of two years and bears interest at a rate of 2% per annum. As this rate of interest is considered as being below the market rate, Accounting Standards require that the benefit of the interest rate difference is recorded in equity as a shareholder contribution, with the benefit being accreted over the life of the loan. The loan was to advance the Company’s exploration strategy;
- On September 20, 2019 the Company completed a two-tranche 1,651,875 unit non-brokered private placement for gross proceeds of \$4.46 million. Each \$2.70 unit consisted of one share and one-half common share purchase warrant, each full warrant exercisable into one common share at \$4.00 per common share for a period of 18 months; and
- Raised \$237,000 through the exercise of 55,000 share purchase warrants and 50,000 stock options.

## 4 SELECTED ANNUAL INFORMATION

	Nine months ended September 30, 2019 \$	Year ended December 31, 2018 \$
Cash	2,781,290	817,021
Total assets	5,446,572	1,308,284
Total liabilities	4,438,640	3,882,210
Shareholders’ equity (deficiency)	1,007,932	(2,573,926)
Deficit	(36,199,634)	(25,668,365)

The significant changes in the selected annual information resulted from the completion of a RO for \$5.2 million, converting a USD2 million loan owed to the Chairman, CEO and Principal Shareholder into shares, entering into a Promissory Note for USD3 million and the completion of a \$4.46 million non-brokered private placement that combined to fund the company’s on-going operations (see 5.2 Finance) and a \$2.4 million advance for mineral properties interests. The change in deficit is discussed in detail in Section 6 three and nine months ended September 30, 2019, compared to three and nine months ended September 30, 2018.

## 5 DISCUSSION OF OPERATIONS

### 5.1 Exploration

#### Mineral Concessions and Obligations

The Company acquired the rights, title and 100% interest in the Project, comprised of 42 mineral concessions covering 207,764Ha in southeastern Ecuador on May 26, 2017. The concessions were granted on December 27 and 28, 2016, and are valid for 25 years, renewable for a subsequent 25-year period, provided that the concessions are maintained in good standing.

Mineral concessions in Ecuador are currently regulated according to the follow frames:

- up to four years of “Initial Exploration”;
- up to four years of “Advanced Exploration”;
- up to two years of “Economic Evaluation” of any deposit identified, which can be extended for an additional two-year period; and
- thereafter, the concessions are in the “Exploitation Phase”.

The key requirements for maintaining the good standing of concessions have been met as follows:

- Year 1 (ended December 2017 and Annual Reports presented to the Ecuadorian authorities by March 31, 2018):
  - Concession fees of USD1,973,198 (USD9.50/Ha) were paid by September 30, 2017; and
  - Expenditure on the concessions was required to have exceeded the larger of the USD5.00/Ha (USD1,038,820) stipulated by law or the USD1,060,000 committed by the Company. In-country expenditure recorded in the annual reports presented to the Ecuadorian authorities for Year 1 was USD3,354,497, which exceeded the committed minimum expenditure;
- Year 2 (ended December 2018 and Annual Reports presented to the Ecuadorian authorities by March 31, 2019):
  - Concession fees of USD2,004,923 (USD9.65/Ha) were paid by March 31, 2018; and
  - Expenditure on the concessions was required to have exceeded the larger of the USD5.00/Ha (USD1,038,820) stipulated by law or the USD1,090,000 committed by the Company. The in-country expenditure recorded in the annual reports presented to the Ecuadorian authorities for Year 2 was USD4,396,820, which exceeded the committed minimum expenditure.
- The Environmental Registration and Environmental Management Plan required for exploration of the concessions were received on June 30, 2017, and both are valid for the 4-year term of Initial Exploration. These documents were updated to incorporate scout drilling and were approved on June 10, 2019. The updated Environmental Registration and Environmental Management Plan provide permission for scout drilling on all of the concessions to a maximum for 20 drill pads per concession.

Year	Concession Fees (USD)	Expenditure Required (USD)	Committed Expenditure (USD)	Actual Expenditure (USD)
1 (2017)	1,973,198 <sup>1</sup>	1,038,820 <sup>1</sup>	1,060,000 <sup>2</sup>	3,354,497
2 (2018)	2,004,923 <sup>1</sup>	2,077,640 <sup>1</sup>	1,090,000 <sup>2</sup>	4,396,820
3 (2019)	2,046,475 <sup>1</sup>	2,077,640 <sup>1</sup>	2,098,000 <sup>2</sup>	Will be reported in March 2020
4 (2020)	2,050,000 <sup>3</sup>	2,077,640	Not yet determined	Will be reported in March 2021

<sup>1</sup>Paid <sup>2</sup>Requirement satisfied <sup>3</sup>Estimated



The size of the concession area constituting the Project may be reduced at the Company’s discretion. The high annual concession fees provide a strong incentive to reduce the size of the Project area. The national concession application process was closed in December 2017 and is expected to re-open in mid-2020. The closure of the concession application process was for government administrative purposes. Consequently, no new concessions may be added to the Project area at this time. Mineral concessions may be cancelled by the State for various reasons, principally as a result of negligence or misrepresentation on the part of the entity which holds the concessions.

**Future Mineral Concession Maintenance Requirements**

Maintenance of the full 42-concession package through the Initial Exploration phase requires the following expenditure, summarized in the Table above:

- Year 3 (up to December 2019, and to be reported by March 31, 2020):
  - Concession fees of USD2,046,475 (USD9.85/Ha) which were paid by the due date; and
  - Expenditure on the concessions must exceed the larger of the USD10.00/Ha (USD2,077,640) required by law or the USD2,098,000 committed by the Company, to be reported by March 31, 2020;
- Year 4 (up to December 2020, and to be reported by March 31, 2021):
  - Concession fees of approximately USD2,050,000 (USD9.87/Ha) to be paid by March 31, 2020; and
  - Expenditure on the concessions must exceed the larger of the USD10.00 (USD2,077,640) required by law or a higher amount committed by the Company, and to be determined by March 31, 2020.

In Year 5 and beyond, the Company would be regulated by the requirements for conducting “Advanced Exploration” on selected target areas and hence the required minimum expenditure cannot be estimated by Management at the reporting date.

The Company engages a third-party accounting firm and legal counsel to ensure that the filings are completed and remitted on a timely basis.

**Reconnaissance Exploration**

The Company’s regional exploration program involves blanket coverage of the Project in a stream sediment sampling program. 50% of the Project area has been covered to date. Analysis of these samples is used to identify areas of metal enrichment in the catchment basin associated with each sample point. These areas are prioritized as targets based on the combination of elements enriched in the drainage area, the extent to which the elements of interest are enriched, the size of the area of enrichment, as well as its association with geophysical features. Up to eight exploration teams are involved in the stream sediment sampling program at any one time.

A summary of the targets identified in the reconnaissance exploration program to-date is provided in the following Table. A new epithermal target has been identified by reconnaissance exploration; Tsanimp is conspicuous by its elevated mercury and antimony in stream sediment samples and extensive areas of sinter blocks.

#	Target	Target Commodity	Target definition		Scout Drilling
			Ridge-&-spur soil sampling	Grid soil sampling & mapping	
<b>Epithermal</b>					
1	Crunchy Hill	Gold-silver	✓	✓	Completed Q2, 2019
2	Yawi A		✓	✓	Commence October 2019
3	Yawi B		✓	✓	Planned for Q4 2019
4	Yawi C		✓	✓	Planned for Q4 2019
5	Yawi D		✓	✓	Planned for Q1 2020
6	Yawi E		✓	✓	



7	Yawi F		✓	✓	
8	Apai		✓		
9	Latorre A		✓		
10	Latorre East				
11	Latorre West				
12	Tinchi				
13	Tiria North		✓		
14	Tiria East		✓		
15	Tiria South		✓	✓	
16	Tiria West		✓		
17	Chapi Suants West				
18	Chapi Suants South				
19	Tsanimp				
20	Tumpain West				
<b>Sediment-hosted</b>					
1	Tsenken	Copper-silver			
2	Kirus		✓		
<b>Intrusive-related</b>					
1	Awacha	Copper or copper-gold			
2	Jempe				
3	Tsenken		✓		
4	Tsenken N1				
5	Tsenken N2			✓	
6	Tsenken N3				
7	Kirus				
<b>"Manto"-type</b>					
1	Shimpia – 15km trend	Silver-zinc-lead	✓		

### Target Development

Soil sampling and geological mapping are the primary tools used for follow-up exploration. The clay-rich soil, prevalent throughout the Project area, is efficient at capturing metals weathered from the underlying rock. The sampling of soil along ridge crests ("ridge-and-spur") or subsequently in a regular grid pattern, provides a reliable method of homing in on the source of metals that drained into the rivers, giving rise to the enrichment detected by the stream sediment samples. Five teams are currently engaged in the sampling of soils in order to more precisely locate the source of metals in the target areas. During the quarter, 1,310 soil samples were taken.

The status of target development is as follows:

- **Epithermal gold-silver targets:**
  - Yawi:
    - Target A: Scout drilling is underway;
    - Targets B, C and D: Scout drilling locations have been identified. Targets B and D lie in extensive areas of sinter blocks, indicative of the upper part of an epithermal system, whereas targets A and C are exposed at a deeper erosion level;



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- Target E: Geological mapping is underway to determine whether it warrants scout drilling;
- Target F: Grid soil sampling is underway;
- Latorre A: Ridge-and-spur soil sampling has been completed and extensive areas of silver, molybdenum and antimony enrichment were identified. Grid soil sampling has been completed over part of the area highlighted by the ridge-and-spur program;
- Tiria South: An epithermal target on the eastern margin of the Shimpia silver-zinc-lead target. Grid soil sampling has been completed as a follow-up to more completely define the location and trends found in epithermal pathfinder elements detected in a ridge-and-spur soil sampling program over the area.
- Tiria East: Ridge-and-spur soil sampling is in progress to follow-up streams that are enriched in epithermal pathfinder elements;
- Tiria North: Ridge-and-spur soil sampling has been completed;
- Tiria West: As for Tiria North;
- Apai: Grid-pattern soil sampling is underway over an area measuring 1.2km by 0.5km in which sinter blocks are concentrated. The area around the sinter has elevated arsenic and mercury values in stream sediment samples;
- **Sediment-hosted copper-silver:**
  - Kirus: Initial ridge-and-spur soil sampling has been undertaken;
  - Tsenken-Sedimentary: Initial ridge-and-spur soil sampling has been undertaken and channel sampling is underway on exposures of copper-silver mineralization over a 2.5km trend. Outcrops of the sedimentary sheet have been used to estimate the form and inclination of the potentially mineralized layer.
- **Intrusive-related copper:**
  - Tsenken N2: Sampling of a soil grid has been completed;
  - Awacha: Stream sediment and pan concentrate sampling and initial geological mapping are underway
- **Silver-zinc-lead target:**
  - Ridge-and-spur soil sampling has been completed over the southern part of the target area.

### **Scout Drilling**

Scout drilling constitutes an integral part of exploration in deeply weathered and jungle-covered terrain such as that in the Project area. Scout drilling is necessary to confirm the validity of each target and will routinely be undertaken on the highest priority targets as part of the exploration program.

### **Yawi**

Scout drilling commenced on the first of the Yawi targets – on Target A - subsequent to the period end. The Yawi B, C and D epithermal gold-silver targets have been prepared for drilling, and it is anticipated that three or four bore holes of approximately 350m - 500m will be drilled on each of the three targets for a total of 3,500m – 5,000m before year-end. The intention is that the man-portable diamond drill rig being used will move sequentially from one target to the next, subject to continuity of funding.

### **Crunchy Hill**

Scout drilling at Crunchy Hill started the first week of March 2019. The plan was to drill seven diamond drill holes of approximately 350 metres (“m”) each, totaling approximately 2,500m. This initial plan evolved as core from the first holes was examined and a further two bore holes were drilled, bringing the total to 9 holes for 3,204m.

Scout drilling at Crunchy Hill did not intersect significant gold mineralization. However, two important principal structures, which contained some silver, were intersected:

- The 5-7 Structure, intersected in bore holes 5 and 7, is a vein-breccia that is zoned from gypsum in the shallowest intersection through kaolinite wall rock alteration to incipient illite alteration. This clear alteration mineral zoning is typical of the upper part of an epithermal system. Mineralization is typically associated with illite alteration, which is expected to be more fully developed deeper in deeper parts of



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the vein breccia. The target is expected to lie at approximately 450m depth where the vein-breccia cuts more permeable, layered sedimentary rock unit that is approximately 100m thick;

- The 9 Structure was intersected in bore hole 9. It consists of a silicified fault with quartz-carbonate veining and illite wall rock alteration. A target for gold-silver is expected to lie at about 300m below surface where the fault zone cuts brittle volcanic rocks that are likely to have a high propensity to develop veins. Consideration will be given to drilling two deeper holes to test these targets in due course.

### **Metron Contract**

Metron has deep experience in applying Bayesian Search Theory through mathematical algorithms that combine scientific data with less reliable descriptive and anecdotal data, to generate probability maps. Their successes include the use of historical data to find a paddle steamer that was transporting bullion from the US Mint (the SS Central America), lost US (the USS Scorpion) and Soviet submarines and the black box of the Air France flight that disappeared over the mid-Atlantic. Their role in the Project will be the integration of historical data with scientific exploration data such as geophysics, stream sediment sample results, geology and structural information to generate probability maps for the location of the Spanish colonial mines of Logrono and Sevilla that operated in the 16<sup>th</sup> Century. Metron's work is expected to provide a parallel analysis to Aurania's exploration approach that relies on its exploration experience in southeastern Ecuador. The Company provided an early update (Press release September 26, 2019) that discusses how the first layers of data that have been incorporated into Metron's study have begun to provide indications of the possible location of the mines of Logrono and Sevilla. As further layers of data are incorporated and analysed, the target areas are expected to become more refined.

### **VeriDaas Agreement**

On October 21, 2019, the Company announced that the aircraft equipped with LiDAR, originally contracted in July 16, 2019, had been mobilized to Ecuador. VeriDaas Corporation ("VeriDaas") has been contracted to perform this specialized LiDAR survey at a cost of USD591,000 to be paid in installments against a performance and product delivery schedule.

### **Corporate Social Responsibility**

The Company's CSR team, under the guidance of Toronto-based O-Trade, has developed a Social Management Plan (SMP) aimed at mitigating social risk. The SMP includes early stakeholder engagement, social impact analysis, and defines partnerships with the Ecuadorian government. Specifically, the Company is working with the ministries of the Environment, Health, Agriculture and Education, in addition to its normal-course interaction with the Ministry of Energy and Non-Renewable Resources. All strategies and their implementation recognize and honour human and indigenous rights.

Formal access agreements have been established with 59% of communities that lie within the Project area. Improved access and infrastructure associated with the Company's exploration efforts has benefitted nine communities directly and 21 indirectly. Since inception of the Project, the exploration team has created over 1,300 part-time work opportunities, equitably distributed across 37 communities. Scout drilling at Crunchy Hill in Q1 and at Yawi in Q3 2019 resulted in part-time work for approximately 400 men and women.

### **Environment & Water**

Contaminated water, poor sanitation, and poor hygiene have been identified as the prime risk to the health of people living and working in the Project area, for which the Company is investing in education on basic sanitation and water purification methods. Preliminary assessments of water quality have been completed in ten communities within the area of influence of the Project. The objective of the assessment is to evaluate various solutions and develop budgets that can be presented to regional government, foundations and communities to find a means of financing, implementing and maintaining potable water standards.

### **Advances for mineral property interests**

The Company has made non-refundable but transferable advances of approximately \$2.4 million to acquire additional mineral property interests.

## 5.2 Finance

At September 30, 2019, the Company had available cash of \$2,523,778 (December 31, 2018 - \$817,021). The Company continued to fund its on-going work programs and obligations from a combination of public equity and debt instruments, significantly supported by its Chairman, Chief Executive Officer and Principal Shareholder, Dr. Keith Barron.

### Rights Offering

On March 8, 2019, the Company announced that it had completed a RO for \$5,254,666 (gross), with the issuance of 1,946,172 common shares at \$2.70 per share. Eligible registered brokers were entitled to a commission of 3%, and the cash paid for commissions was \$232,608 including legal fees, TSX Venture fee and transfer agent fees.

### Stand-By Commitment

In connection with the RO, the Company entered into a stand-by purchase agreement with Dr. Keith Barron, for a commitment amount of \$4,000,000 (the "Stand-By Commitment"). As a result, Dr. Barron exercised his rights' entitlement for the purchase of 1,385,790 common shares and purchased an additional 95,691 common shares from the 'Additional' shares pool. Both the basic and additional shares were purchased for \$2.70 per share. In connection with the Stand-By Commitment for the RO, Dr. Barron acquired 1,481,481 common shares.

### Extension of 2017 Promissory Note

On January 28, 2019 and concurrent with the RO described above, the Company announced that it had negotiated a further extension of the 2017 Promissory Note with Dr. Barron, deferring the maturity date from May 29, 2019 to May 29, 2020 (the "New Maturity Date"), whereupon the principal amount and any accrued interest will be payable to Dr. Barron. The Company is currently indebted to Dr. Barron for \$588,620, pursuant to this Promissory Note. All other terms of this Promissory Note shall remain in full force and effect.

### Repayment and Conversion of Convertible Debenture

On January 28, 2019 the Company announced the issuance of 877,192 common shares from treasury in connection with the repayment of the USD2.0 million convertible debenture issued by the Company to Dr. Barron on May 26, 2018. As dictated by the terms of the Debenture, the unpaid principal amount of USD2.0 million, was converted into common shares at the conversion price of \$3.00 per common share, fixed at the March 20, 2018 Bank of Canada exchange rate of USD0.76 to \$1.00 such that the maximum number of common shares to be issued upon the exercise of the conversion right would be 877,192 common shares.

A total of 50,000 stock options and 55,000 common share purchase warrants were exercised for cash consideration of \$72,000 and \$165,000 respectively.

### Shareholder Loan 2019

On April 22, 2019 the Company announced that it has entered into an agreement with Dr. Keith Barron, the Company's Chairman and CEO, providing for a loan of up to US\$3,000,000 (the "Loan"). The Loan is unsecured, has a term of two years, and bears an interest rate of 2% per annum. As this rate of interest is considered as being below the market rate, Accounting Standards require that the benefit of the interest rate difference is recorded in equity as a shareholder contribution, with the benefit being accreted over the life of the loan. The loan was to advance the Company's exploration strategy.

### Private Placement

On September 20, 2019 the Company completed a 1,651,875 unit, non-brokered private placement for gross proceeds of \$4.46 million. Each \$2.70 unit consisted of one share and one-half common share purchase warrant, each full warrant exercisable into one common share at \$4.00 per common share for a period of 18 months. Dr. Keith Barron, Chairman and CEO of the Company, acquired 402,962 units through a corporate entity over which he has direction and control.



### 5.3 Corporate

#### New members of the Board of Directors

During the period end, Aurania's shareholders approved all resolutions at its Annual and Special Meeting ("ASM") including the appointment of two new directors: Mr. Warren Gilman and Mr. Jonathan Kagan. Dr. Leanne Baker was appointed to the board immediately after the ASM. Mr. Marvin Kaiser, Dr. Gerald Harper and Ms. Elaine Ellingham did not stand for reelection at the ASM.

## 6 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019, COMPARED TO THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Operating Expenses</b>				
Exploration expenditures (detailed below)	1,353,080	861,254	7,290,780	4,888,526
Stock-based compensation	174,910	237,636	599,997	1,032,388
Investor relations	198,190	126,963	715,035	523,102
Office and general	169,604	102,667	673,344	366,854
Management fees	166,442	70,892	472,469	205,094
Professional and administration fees	57,648	66,822	157,778	195,756
Regulatory and transfer agent fees	31,463	55,799	138,527	107,899
Director and advisor fees	18,750	15,000	56,093	45,000
Amortization	9,351	5,814	26,157	14,933
Project evaluation expenses including travel	28,858	-	54,842	-
<b>Total expenses</b>	<b>2,208,296</b>	<b>1,542,847</b>	<b>10,185,022</b>	<b>7,379,552</b>
<b>Other expenses/income</b>				
(Gain) loss on foreign exchange	(46,917)	1,215	(22,684)	92,640
(Gain) and loss on derivative	-	(142,199)	121,571	(113,267)
Interest income	(3,218)	(3,297)	(6,741)	(5,026)
Interest expense	(12,188)	113,769	46,491	167,865
Accretion of shareholder contribution	207,610	-	207,610	-
<b>Net loss and comprehensive loss for the period</b>	<b>2,353,583</b>	<b>1,512,335</b>	<b>10,531,269</b>	<b>7,521,764</b>

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
<b>ECUADOR</b>				
<b>BASIC EXPLORATION:</b>				
Salaries, benefits	\$419,290	\$270,870	\$1,405,801	\$589,673
Camp costs, equipment, supplies	41,053	39,847	243,018	112,705
Project management	84,704	158,427	254,113	459,503
Travel, accommodation	120,764	84,979	405,737	292,447
Office	25,550	32,284	88,952	123,708
Environment	42,172	-	148,130	-
Water	15,016	-	40,324	-
Drilling	8,586	-	593,301	-
<b>GEOCHEMISTRY</b>	<b>102,195</b>	83,006	<b>302,438</b>	218,505
<b>GEOPHYSICS</b>	<b>251,274</b>	11,969	<b>292,410</b>	28,716
<b>CORPORATE SOCIAL RESPONSIBILITY</b>	<b>196,351</b>	151,016	<b>588,012</b>	406,303
<b>ADMINISTRATIVE SUPPORT</b>	<b>41,444</b>	-	<b>123,151</b>	-
<b>CONCESSIONS COSTS</b>	<b>4,267</b>	28,856	<b>29,334</b>	69,247
<b>CONCESSION ANNUAL FEES</b>	-	-	<b>2,721,812</b>	2,587,719
Total exploration expense - Ecuador	\$1,352,666	\$861,254	\$7,236,533	\$4,888,526
Other	414	-	54,246	-
<b>Total exploration expenses</b>	<b>\$1,353,080</b>	\$861,254	<b>\$7,290,780</b>	\$4,888,526

For the nine months ended September 30, 2019, the Company incurred losses of \$10,531,269 (2018 - \$7,521,764). The accumulated deficit increased from \$25,668,365 in 2018 to \$36,199,634 in 2019. Exploration expenditures represent 72% of this expense and show a 49% increase for the 9 months in 2019 over the same period in 2018. A discussion of the principal expenditure items follows:

#### Basic Exploration Costs

- **Salaries, benefits** includes the cost of geologists, technicians, guides and a contingent of part-time field assistants. The 138% increase in expenditure from the prior year reflects the multiple levels of exploration now being undertaken simultaneously, including stream sediment sampling, target definition and scout drilling, each successively more costly, and over an increasing number of targets;
- **Camp costs, equipment, supplies** increased 116% reflecting the increase in logistic support required for the expanding work programs across multiple locations with different staging points;
- **Project management** includes salaries and benefits for the VP Exploration and 70% of the consulting fees of the President. The 45% reduction of costs in 2019 compared with 2018 reflects optimization of the in-country management structure;
- **Travel, accommodation** for in-country and international travel for the exploration team members increased 39% from 2018 due to the increase in exploration activity;
- **Office** covers administrative support at the Macas and Quito offices, and decreased 28% in due to on-going costs in 2019 being lower than the initial establishment costs in 2018;
- **Environment** includes the costs associated with formalizing environmental reporting into a separate internal reporting entity that underscore the importance of this component of exploration, as well as additional environmental compliance items related to scout drilling. The environment lead in the Macas field office is supported by experienced, external, Quito-based consultants;
- **Water** reflects the establishment of an internal reporting entity, the Technical Water Group, based in the field office at Macas, with responsibility for all matters related to water testing as a baseline before drilling, and water monitoring after drilling, as well as management of all water-related requirements and the application for water-use permits as required;

- **Drilling** relates to completion of the scout drilling program at Crunchy Hill.

**Geochemistry**

- The 38% increase in expenditure relates to the processing and assay of 340 stream sediment samples, 3,374 soil samples and 98 rock samples, in Q3, 2019, compared with 580 stream sediment samples, 1,103 soil samples and 225 rock-chip samples collected in Q2, 2019.

**Geophysics**

- This includes fees and costs associated with the LiDAR survey and for on-going interpretation of data from the heliborne magnetic survey that was completed in 2017, based on fieldwork over the various targets;

**Corporate Social Responsibility**

- Includes consulting fees, field costs, travel and accommodation of the CSR team, and various community initiatives. The 45% increase in CSR expenditure from Q3 2018 to Q3 2019 relates to engagement with a larger number of communities as access is granted to a larger area, as well as management of community relations in preparation for the scout drilling across the various targets;

**Administrative Support**

- Includes Toronto personnel in the areas of project accounting, legal, translation, IT, communications and administration for the Lost Cities Project;

**Concession costs**

- Include the legal and other professional costs related to maintenance of mineral concessions, CSR access permissions and annual reporting to maintain the concessions in good standing;

**Mineral concession annual fees**

- This expenditures relates to the annual and other fees for the 42 concessions, paid to the State. Annual fees paid to the Ecuadorian State increased from USD9.65/Ha in 2018 to USD9.85/Ha in 2019;

**Other significant non-exploration expenditures are as follows:**

- **Stock-based compensation expense** was 42% less than the prior year due to fewer Stock Options and RSUs being granted in 2019 than in 2018;
- **Investor relations** increased 37% as a result of attending more investor conferences (\$197,000) in 2019 and the use of third party consultants (\$185,000) to promote increased investor-awareness related with results from the field, and in-house costs of investor relations, that remained constant;
- **Office and general** has seen an 84% rise commensurate with the increased level of operational activity in Ecuador;
- **Management fees** increased 130% from the prior year due to the Company requiring more full-time corporate management as operational, governance and financial activity increased. In addition, certain aspects of the financial and corporate secretarial services cost were duplicated in the first half of the year to support a transition period; and
- **Professional and administrative fees** decreased 19% due to lower regulatory and transfer agent activities, while director fees, project evaluation and amortization are broadly in line with the prior period.

Cash Flow Activities	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Operating	<b>\$(9,470,711)</b>	\$(6,402,461)
Financing	<b>13,616,000</b>	8,355,618
Investing	<b>(2,438,532)</b>	(332,872)
Increase/(decrease) in cash during the period	<b>\$(1,706,757)</b>	\$1,620,285

For the nine months ended September 30, 2019, the Company's cash position increased by \$1.7 million. The main cash outflows for the current reporting period consist of exploration and corporate expenditures described in the above section on Statement of Loss and are included as Operating activity in the Cash Flow statement and the principal cash inflows came from financing activities as described in section 5.2 Finance.



## 7 SUMMARY OF QUARTERLY RESULT

Quarters Ended	Net revenue (\$)	Net Loss (\$)	Loss per Share (\$)
September 30, 2019	-	2,353,583	0.07
June 30, 2019	-	2,910,745	0.09
March 31, 2019	-	5,121,591	0.17
December 31, 2018	-	2,087,577	0.07
September 30, 2018	-	1,512,335	0.05
June 30, 2018	-	1,948,898	0.07
March 31, 2018	-	4,060,534	0.15
December 31, 2017	-	1,690,051	0.07
September 30, 2017	-	1,418,620	0.05

## 8 LIQUIDITY AND CAPITAL RESOURCES

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and deficit, which at September 30, 2019 was a surplus of \$1,007,932 (December 31, 2018 – deficit of \$2,573,926). The Company manages and adjusts its capital structure based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this considering changes in economic conditions and the risk characteristics of the underlying assets. There has been no change with respect to the overall capital risk management strategy during the period ended September 30, 2019. The Company's ability to continue as a going-concern is dependent upon Management's ability to obtain the necessary financing to advance exploration on its Project and meet its liabilities as they come due.

### Funding Outlook

As the Company currently has no source of revenues or cash flow, periodic financings are required to advance exploration at the Project, to meet ongoing obligations and discharge the Company's liabilities in the normal course of business.

The proceeds of the RO, before legal costs and commissions, generated \$5,254,666 in cash. These funds have been used to pay the 2019 concession fees, and to fund the on-going exploration activities including scout drilling, CSR and corporate costs in both Ecuador and Toronto. Management borrowed an additional USD3 million from its Chairman, CEO and Principal Shareholder and subsequently announced a \$4.0 million Private Placement, closing a \$2.78 million first tranche on August 27, 2019 and \$1.67 million second tranche on September 20, 2019, to fund on-going operations and advance the company's exploration strategy including the continuation of its scout drilling program through 2019.

## 9 INDEBTEDNESS

The Company's activities are partially funded by loans from its Chairman, CEO and Principal Shareholder and are described in detail in the Unaudited Condensed Interim Financial Statements for the Three and Nine Month Period Ended September 30, 2019. The significant changes in those debt instruments during the quarter are described in section 5.2 Finance above.

## 10 EQUITY

**Share Capital** – Activity during the nine months ended September 30, 2019:

	# Shares	Par Value	Share Premium
<b>Balance – December 31, 2018</b>	<b>32,036,874</b>	<b>\$319</b>	<b>\$19,983,179</b>
Shares issued for rights offering	1,946,172	20	5,254,646
Less share issue costs		-	(232,608)
Shares issued for private placement	1,651,875	17	4,460,046
Less share issue costs		-	(109,021)
Shares issued on debt conversion	877,192	1	2,987,093
Shares issued for exercise of options	50,000	-	149,213
Shares issued for exercise of warrants	55,000	-	189,425
Warrants issued for private placement	-	-	(381,980)
Agents warrants issued for private placement	-	-	(15,625)
<b>Balance – September 30, 2019</b>	<b>36,617,113</b>	<b>\$356</b>	<b>\$32,284,368</b>

**Stock options** - Activity during the nine months ended September 30, 2019:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
<b>Balance - December 31, 2018</b>	<b>1,516,260</b>	<b>\$2.92</b>	<b>\$1,806,852</b>
Issued	180,000	\$3.40	309,034
Issued	48,000	\$3.40	83,728
Issued	77,000	\$2.97	51,379
Exercised	(10,000)	\$2.00	(8,597)
Exercised	(20,000)	\$2.00	(17,195)
Exercised	(20,000)	\$0.60	(10,517)
Stock-based compensation expense	-	-	157,491
<b>Balance – September 30, 2019</b>	<b>1,771,260</b>	<b>\$2.20</b>	<b>\$2,372,174</b>

**Stock options** - Outstanding at September 30, 2019:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
1,260	1,260	\$3.00	May 26, 2020	\$1,168
395,000	395,000	\$0.60	July 13, 2021	217,721
150,000	150,000	\$2.30	May 26, 2022	256,242
370,000	246,667	\$2.00	November 2, 2022	509,682
250,000	166,667	\$2.89	March 2, 2023	451,265
300,000	200,000	\$2.68	April 5, 2023	501,955
180,000	75,000	\$3.40	January 16, 2024	309,034
48,000	16,000	\$3.40	January 16, 2024	83,728
77,000	12,833	\$2.97	June 28, 2024	51,379
<b>1,771,260</b>	<b>1,263,427</b>			<b>\$2,372,174</b>

**Restricted Stock Units** - The following summarizes the RSU activity during the nine months ended September 30, 2019:

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
<b>Balance – December 31, 2018</b>	<b>67,000</b>	<b>\$1.98</b>	<b>\$132,581</b>
Shares issued for RSUs	-		(40,903)
Stock-based compensation expense	-	-	12,197
<b>Balance – September 30, 2019</b>	<b>67,000</b>	<b>\$1.98</b>	<b>\$103,875</b>

**Warrants** - The following summarizes the warrants and Agents' Options activity and outstanding warrants and Agents' Options for the nine months ended September 30, 2019:

	Number of Warrants/ Agents' Options	Weighted Average Exercise Price	Estimated Fair Value
<b>Balance – December 31, 2018</b>	<b>2,259,051</b>	<b>\$2.92</b>	<b>\$1,123,509</b>
Issued warrants private placement	825,937	\$4.00	381,980
Issued agents warrants	15,914	\$4.00	15,625
Exercised	(74,163)	\$(3.00)	(24,425)
<b>Balance – September 30, 2019</b>	<b>3,026,739</b>		<b>1,496,689</b>

#### Outstanding warrants

Expiry date	Number of Warrants	Exercise Price
December 29, 2019	<b>1,008,246</b>	\$3.00
December 29, 2019	987,500	\$3.00
December 29, 2019	79,442	\$3.00
June 29, 2020	109,700	\$3.00
February 27, 2021	515,431	\$4.00
August 27, 2021	4,734	\$4.00
March 20, 2021	310,506	\$4.00
September 20, 2021	11,180	\$4.00
<b>Balance – September 30, 2019</b>	<b>3,026,739</b>	

## 11 KEY MANAGEMENT EXPENSE

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 was:

For the nine months ended September 30,	2019	2018
Management fees <sup>(1)</sup>	<b>\$472,469</b>	\$139,413
Management fees <sup>(1)</sup>	<b>254,113</b>	-
Director and advisor fees <sup>(2)</sup>	<b>56,250</b>	30,527
Stock-based compensation <sup>(3)</sup>	<b>117,396</b>	663,546
<b>Total key management compensation expense</b>	<b>\$900,228</b>	<b>\$829,691</b>

<sup>(1)</sup> 2018 and 2019 - This includes 100% CFO fees, Toronto, 100% salary/benefits of the Country Manager, Ecuador, and 30% of the President's compensation. The remaining 70% of the President's compensation and 100% of the compensation paid to the VPX has been charged to exploration.

<sup>(2)</sup> Directors' compensation totals \$60,000 per annum. On March 2, 2018, Alfred Lenarciak was appointed as a financial advisor to the Company. Mr. Lenarciak's compensation is \$15,000 per annum or \$1,250 per month.

<sup>(3)</sup> This amount is the fair value expense of vested stock options and RSUs granted to key Management during the nine months ended September 30, 2019.

## 12 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 in the Nine months ended September 30, 2019:

- (a) A total of \$112,500 (2018 - \$112,500), plus applicable taxes was charged to the Company by a management company controlled by the President, on account of management consulting fees (the "Fees"). Included in accounts payable and accrued liabilities at September 30, 2019 is \$12,500 (December 31, 2018 - \$nil) owed to the President's company, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand.
- (b) A total of \$142,485 (2018 - \$56,250), plus applicable taxes were charged to the Company by the Chief Financial Officer ("CFO"), pursuant to a consulting contract. \$17,268 is included in accounts payable and accrued liabilities at September 30, 2019.
- (c) During the nine months ended September 30, 2019, the Company incurred \$108,000 (2018 - \$127,500) of administrative service costs provided by Big Silver Ltd. a company owned and controlled by the Chairman, CEO and Principal Shareholder. At September 30, 2019, \$12,000 (December 31, 2018 - \$82,500) remains payable to Big Silver Ltd. These amounts are unsecured, non-interest bearing and due on demand.

## 13 OFF-BALANCE SHEET TRANSACTIONS

There are no other transactions contemplated at this time.

## 14 PROPOSED TRANSACTIONS

Like other mineral exploration enterprises, the Company may acquire or dispose of property assets as part of its normal-course business as determined by Management based on exploration results, opportunities, the competitive nature of the business, and availability of capital.

## 15 CRITICAL ACCOUNTING ESTIMATES

The Company prepares its interim financial statements in accordance with IFRS. Significant assumptions about the future and other sources of estimation uncertainty that Management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (a) the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;
- (b) the inputs used in accounting for stock-based compensation expense in the condensed consolidated interim statement of loss;
- (c) the \$nil provision for decommissioning and restoration obligations which are included in the condensed consolidated interim statement of financial position; and
- (d) the existence and estimated amount of contingencies;
- (e) the valuation of the acquisition of ESA.

## 16 CHANGES IN ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

### Changes in Accounting Policies

During the nine months ended September 30, 2019, the Company adopted several new IFRS standards, interpretations, amendments and improvements of existing standards including IFRIC 23. These new standards



and changes did not have any material impact on the Company's condensed consolidated interim financial statements.

### **Financial Instruments**

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The Carrying amounts of cash equivalents, receivables, trade and other accounts payable and promissory note 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.

The Company does not have any derivative financial instruments. All financial instruments are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss.

## **17 RISKS AND UNCERTAINTIES**

There are no significant changes in the material risk and uncertainties faced by the company from those reported in the Management Discussion and Analysis for the three and nine months ended September 30, 2019.

## **18 COMMITMENTS AND CONTINGENCIES**

### **Environmental Contingencies**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. 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.

### **Service Costs and Consulting Agreements**

Commencing January 1, 2019, the Company entered into an agreement with Big Silver Ltd. a company owned and controlled by the Chairman, Chief Executive Officer and principal shareholder, for office rent and general office services. The agreement can be terminated by either party with 90 days' notice.

The Company's President provides management services to the Company through a personal management company pursuant to a one-year, renewable consulting agreement. The President's annual compensation is \$150,000. Should the Company effect early termination of the agreement, a three-month notice period is required, and Dr. Spencer would be entitled to an additional lump-sum cash payment equal to nine months of monthly retainer fee. Should Dr. Spencer's agreement be terminated due to a change of control, additional compensation would be payable to a maximum of two years' retainer fees and any unvested options would vest immediately.

The Company's Chief Financial Officer provides financial corporate consulting services to the Company pursuant to an annual, renewable consulting agreement, the terms include a monthly fee of \$12,000 based on 50% of time with provision for additional hours as the need arises.

The Company runs its CSR program under the guidance of a Toronto consulting firm, in tandem with the exploration program. Compensation for services provided by the consultants is stipulated at \$1,000 per diem for up to 10 days per month ("the base services"). Any additional services to be performed over and above the base services must be pre-approved in writing. Either party may terminate the CSR Contract with 30 days' written notice.

On June 28, 2019, Aurania signed a contract with Metron Incorporated ("Metron") of Reston, Virginia, USA. Metron will provide data analytic and statistical analysis services to Aurania to help refine its search for the



historical gold mining centres, Logrono de los Caballeros and Sevilla del Oro, in Ecuador. Aurania will pay USD150,000 in installments over two years against performance benchmarks, and Metron were granted 77,000 stock options exercisable for five years.

## 19 SUBSEQUENT EVENTS

Subsequent to the period end the Company extended the expiry date to December 31, 2019, from October 19, 2019 for 1,008,246 share purchase warrants with an exercise price of \$3.00.

Also, subsequent to the period end the company granted 1,150,000 stock options and 122,700 restricted stock units to management, directors, consultants and employees of the Company. The options granted have a term of five years with one third of the options vesting immediately upon grant and one third vesting on each of the first and second anniversaries of the date of the grant. Members of the Company's community relations team, exploration team and administrative team were granted a total 122,700 RSUs that vest over a period of three years.

## 20 QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Jean Paul Pallier, VPX, who is registered as a EurGeol with the European Federation of Geologists and is a "Qualified Person" for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

## 21 SHARE DATA

As at	Common Shares	Warrants	Agents' Options and Warrants	Stock Options	RSUs	Fully Diluted
December 31, 2018	32,036,874	2,259,051	79,442	1,516,260	67,000	35,958,627
September 30, 2019	36,617,113	3,010,825	95,356	1,771,260	67,000	41,561,554
November 19, 2019	34,965,238	2,204,051	79,442	1,694,260	67,000	39,003,991

## 22 ADDITIONAL INFORMATION

### 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, Canada.

### Directors, Officers and Management

Keith Barron – Chief Executive Officer, Chairman of the Board of Directors ("Board") and Director

Richard Spencer – President and Director

Antony Wood – Chief Financial Officer

Jean Paul Pallier – Vice President - Exploration ("VPX")

Warren Gilman – Director

Jonathan Kagan – Director

Leanne Baker – Director

Alfred Lenarciak - Director

**Corporate Office**

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**Registered Office**

31 Victoria Street, Hamilton, HM 10, Bermuda.

**Exchange Listings**

The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSX-V") under the symbol "ARU". The Company's shares started trading on the Frankfurt Exchange, symbol "20Q" on May 17, 2018 and on the OTCQB Venture Market in the United States on May 25, 2018, under the symbol "AUIAF". The OTCQB trading market is recognized by the U.S. Securities and Exchange Commission ("SEC") as an established public market.