AURANIA RESOURCES LTD.

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

For the Three Months Ended March 31, 2018

(Expressed in Canadian Dollars unless otherwise indicated)

1 INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is a review of the financial condition and results of operations by the management ("Management") of Aurania Resources Ltd. ("Aurania" or the "Company") for the three months ended March 31, 2018 (the "Reporting Period"). This MD&A is prepared as at May 28, 2018, unless otherwise indicated, and should be read in conjunction with the annual consolidated audited financial statements for the year ended December 31, 2017 ("Annual Financial Statements") 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 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, silver and copper), currency exchange rates (such as the Canadian Dollar ("$") and the Swiss Franc ("CHF") versus 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 DISCUSSION AND ANALYSIS

This report is dated May 28, 2018.

AURANIA

3.1 BACKGROUND

3.1.1 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.

3.1.2 Directors, Officers and Management
Keith Barron – Chief Executive Officer, Chairman of the Board of Directors ("Board") and Director
Richard Spencer – President and Director
Donna McLean – Chief Financial Officer and Corporate Secretary
Jean Paul Pallier – Vice President - Exploration ("VPX")
Elaine Ellingham – Director
Gerald Harper – Director
Marvin Kaiser – Director
Alfred Lenarciak - Advisor to the Board

3.1.3 Corporate Office
Suite 1050, 36 Toronto St.
Toronto, Ontario Canada M5C 2C5
Tel: (416) 367-3200
Email: info@aurania.com; Website: http://www.aurania.com

3.1.4 Registered Office
31 Victoria Street, Hamilton, HM 10, Bermuda.

3.1.5 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.

3.1.6 Nature of Operations and Company Focus
Aurania is a junior mining exploration company engaged in the identification, evaluation, acquisition, and exploration of mineral property interests, with a focus on precious metals and copper.

3.2 OVERVIEW

3.2.1 Finance:
- Since January 1, 2018, the Company has received $2,134,908 from the exercise of stock options, warrants and Agents' Options (**See 3.7 Liquidity and Capital Resources and 3.9 Equity**);
- In March 2017, Dr. Barron, Chief Executive Officer, Chairman and Director (the "Lender") loaned the Company USD2,000,000 (the "Mineral Concessions Loan" or "MCL"), for the payment of annual concession fees for the Lost Cities-Cutucu Project in Ecuador ("the Project"). The Company repaid USD1,000,000 of the MCL on May 29, 2017 and the balance of USD1,000,000 was due on May 29, 2018. The Company recently negotiated an extension of the MCL to defer the maturity date to May 29, 2019 (**See 3.7.1 Liquidity and Capital Resources – Indebtedness**);
- Subsequent to period-end, Dr. Barron exercised 700,000 stock options at $0.40 per option, for total consideration of $280,000. It was agreed that Dr. Barron could satisfy the exercise price of the options by reducing the principal outstanding of the MCL by $280,000. Accordingly, the Company issued 700,000 common shares to Dr. Barron in consideration for the settlement of the debt (**See 3.19 Subsequent Events**);
- Subsequent to period end, the Company announced the closing of a private placement subscription with Dr. Barron for a USD2,000,000 ($2,578,800) convertible debenture in relation to an advance made by

Dr. Barron on March 20, 2018 for the payment of the 2018 Mineral Concessions Fees (the "Debenture"). Terms of the Debenture include:

- The maturity date is May 29, 2019 (the "Maturity Date"), whereupon the unpaid principal and accrued interest shall be payable to Dr. Barron;
- Is convertible into common shares at a price of C$3.00 per common share. A total of 877,192 of common shares of the Company is issuable upon conversion of the principal amount of the USD 2,000,000 loan; and
- The Debenture is unsecured with interest payable at 2% per annum, non-cumulative before the Maturity Date. The interest accrued on the Debenture will not be convertible into common shares of the Company.

The Debenture and the common shares issuable on the conversion of the Debentures will be subject to a four-month and one day statutory hold period, in addition to such other restrictions as may apply under applicable securities laws in jurisdictions outside of Canada. Based on the positive exploration results obtained to date on the Company's Project in Ecuador, it was determined that the full package of mineral concessions warranted renewal. The initial exploration program had anticipated releasing a portion of the land package by the end of March 2018. However, the decision to renew the full package was based on a review of airborne geophysics, reconnaissance stream sediment sample results and regional geological mapping that indicated that all areas reviewed so far, have compelling exploration potential.

3.2.2 Corporate:

On March 2, 2018, the Company appointed Mr. Lenarciak as an independent Special Advisor to the Board of Directors and formed an Advisory Committee whose members are Mr. Lenarciak and Dr. Spencer. Mr. Lenarciak has over 25 years of experience in the financing and strategic development of domestic and international resource companies (see press release dated March 5, 2018 – www.sedar.com. (**See 3.10 Key Management Expense**).

3.2.3 Technical:

- Four field teams continue to advance the reconnaissance stream sediment sampling program that has now covered 15% of the Project. Members of local communities are being trained as technicians to accelerate the stream sediment sampling program. An additional three teams, led by more experienced geologists, are focused on more detailed exploration of the targets identified by the reconnaissance crews;
- Three target areas have been identified in the reconnaissance exploration program to date:
  - The Latorre district that consists of five discrete targets for epithermal gold-silver mineralization. The most advanced of these targets is Crunchy Hill;
  - Charip target in which silica textures are indicative of an epithermal system; and
  - Awacha area that contains 13 discrete magnetic features that are interpreted to be porphyry targets for potential copper or copper-gold mineralization (**See 3.3.2 Results of Operations**).

3.3 OVERALL PERFORMANCE – Financial position, results of operations and cash flows

3.3.1 Financial Position

At March 31, 2018, the Company had available cash of $1,359,450 (December 31, 2017 - $671,346). These funds are earmarked to meet the Company's financial obligations including cash calls to cover exploration expenses of the Project and ongoing corporate costs (**See 3.5.1. Operations – Ecuador**). Prepaid expenses and receivables are higher than those of the same period at December 31, 2017 ($166,695 vs. $64,882) primarily due to:

- the lodgment of deposits associated with the rental of the Toronto corporate office and new office space in Quito and Macas in Ecuador (the "Offices");
- higher insurance premiums (paid in advance) for increased coverage including Directors' and Officers' and other liability insurance;
- $44,560 relates to the receivable of one officer for the exercise of options which was received in the following accounting period; and
- $42,500 was prepaid for April Services on March 29, 2018 (**See 3.16 Commitments and Contingencies**).

Additions of new property, plant and equipment costs relate to the purchase of computer and office equipment for the Offices, as well as field and safety equipment for the exploration crews. Approximately $56,060 was spent on a hand-held XRF analyzer and the balance of $4,975 was used to acquire additional computers, software and security equipment for the Macas office and the Corporate Social Responsibility ("CSR") team. Accounts payable and other liabilities are short-term and non-interest bearing.

Total liabilities for the reporting period increased from $1,737,956 to $3,945,304 principally due to the issuance of a USD2,000,000 convertible debenture to the Lender to pay the 2018 exploration concession fees for the Project (**See 3.7 Liquidity and Capital Resources**). The Lender reduced the principal owing on the 2017 Promissory Note by $280,000 as debt settlement to be applied to pay for the exercise of 700,000 (2013) stock options (**See 3.9 Equity**).

Share capital increased by $2,664,892 with the issuance of 2,202,186 common shares for the exercise of stock options, warrants and Agents' Compensation Options (**See 3.9 Equity**).

For the three months ended March 31, 2018, the Company incurred losses of $4,060,534 (2017 - $187,005). The accumulated deficit increased from $16,059,021 in 2017 to $20,119,555 in 2018. The primary contributors to the increased deficit included: $2,535,603 for the 2018 mineral concession fees and $19,680 other costs related to the concessions, $612,033 exploration costs of the Project and $325,627 stock-based compensation expense. As the Company has no source of ongoing revenues, this trend will likely continue (**See 3.7 Liquidity and Capital Resources**).

3.3.2. Results of Operations

During the three months ended March 31, 2018, the Company focused on the following:

Technical Activities:

- Continued stream sediment sampling that has been completed over approximately 15% of the Project area;
- The Crunchy Hill target in the Latorre area was soil sampled in a grid pattern - defining a coherent 400 metre-long, 100-200 metre-wide area with coincident enrichment of metals and volatile elements;
- Soil sampling commenced along ridges and spurs in other parts of the Latorre district with the objective of identifying the source areas from which elevated metal values in streams in the area were derived;
- A hand-held XRF analyzer is being used for analysis of soil samples to rapidly identify areas of metal enrichment;
- A new epithermal target, Charip, was identified in the reconnaissance program and is now undergoing more detailed follow-up exploration;
- Interpretation of data from the geophysical survey that was undertaken over the whole Project area and environs between August and October 2017 continues with information from the field being used to refine the definition of targets; and
- The CSR team continues to achieve a high degree of success in engaging with local communities regarding the proposed exploration program and its potential impacts on the communities. The team is responsible for arranging access to field areas with the local communities and landowners prior to the arrival of the exploration teams.

Corporate Activities:

- Co-ordination and submission of annual expenditure and work report for each of the concessions that constitutes the Project;
- Production of nine videos as a means of communicating our progress in exploration of the Project;
- Obtaining listings on the Frankfurt and OTCQB Stock Exchanges; and
- Appointment of a Special Advisory Committee to the Board on March 2, 2018.

3.3.2 Operating Expenses

For the three months ended March 31, 2018, (the "Reporting Period"), cash and accrued expenses increased significantly year-over-year as a result of the Company's activity escalating from "care-and-maintenance" to that of a fully-operational exploration entity.

For the 2018 Reporting Period (versus the same period in 2017) the Company incurred operating expenses of $3,989,627 (2017 -$187,524). The main components of these expenditures are as follows:

- Exploration expenditures of $3,167,316 (2017 -$13,531) (**See 3.5.1 Operations – Ecuador**);
- A stock-based compensation expense of $325,627 (2017 – $26,905) – $202,009 was the assigned fair value for 250,000 stock options granted in March 2018, $87,975 was the additional fair value assigned for the residual expense of vesting options granted in 2016 and 2017 and $35,643 was added for the Q1 fair value expense for the Restricted Stock Units ("RSUs") granted in 2017;
- Investor relations $180,315 (2017 - $7,529): Expanded marketing efforts with an increased focus on social media and domestic and international presentations to potential investors all resulted in higher expenditures in this area; $45,000 was expended for booth rental, materials and travel and accommodation costs associated with the Company's exhibiting in Toronto, Hong Kong and Vancouver;
- Office and general $125,192 (2017 - $22,504): Increased office and general costs of approximately $30,000 per month resulted from added service costs, including service costs for financial and administrative consulting fees (**see 3.16 Commitments and Contingencies),** equipping and maintaining offices in Quito and Macas, Ecuador, and increased rent and other costs associated with moving the Toronto office to a larger rental space;
- Management fees of $80,173 (2017 - $15,000): Management fees increased by $65,173 with the addition of compensation/benefits expense for the Country Manager (Ecuador), and a 25% increase in the compensation of the CFO from $60,000 to $75,000 per annum. Additionally, 30% of the President's compensation is allocated as an operating expense, whereas $nil was included for the same period in 2017 as the President did not join the Company until Q2 2017. (Note: 70% of the President's Q1 2018 compensation has been charged to exploration);
- Professional and administrative fees $47,610 (2017 - $19,922); these fees include legal fees and the new monthly Services costs (**See 3.16 Commitments and Contingencies**);
- Regulatory and transfer agent fees $43,541 (2017 - $14,160); these fees increased by $29,381 due to higher OSC and ASC Participation fees (based on an increased market capitalization from the 2017 Offering, a new audit fee for the Annual Concession Spending Report and higher fees charged by the transfer agent for services related to the significant number of share issuances during the quarter);
- Directors fees of $15,000 (2017 – $15,000) have remained the same since 2013. Advisor fees of $1,250 have been paid since the appointment of an independent advisor to the Board on March 2, 2018 (**See 3.10 Key Management Expense**); and
- Amortization of $3,603 has been recorded for the period based on the straight-line method on leasehold improvements and office and field equipment purchased in late 2017 and early 2018.

3.3.3 Cash Flows

For the three months ended March 31, 2018, the Company's net cash position increased by $688,104. The increase was principally due to the exercise of stock options, warrants and Agents' options and a financing pursuant to the Debenture (**See 3.7 Liquidity and Capital Resources**). For the same period in the prior year, Management relied on shareholder loans from the Lender to meet the financial obligations of the Company.

Cash Flow Activities	**Three months ended March 31, 2018**	Three months ended March 31, 2017
Operating	**$(3,924,569)**	$(92,179)
Financing	**4,673,708**	98,272
Investing	**(61,035)**	-
Increase in cash during the period	**$688,104**	$6,093

Operating Activities

Operational activities generated a cash outflow of $3,924,569, the main components of which were:

- Payment of the 2018 mineral concession fee of $2,535,603, $631,713 of exploration expenses, stock-based compensation expense of $325,627, general and corporate costs of $495,458 and other expenses, including a foreign exchange loss of $66,797 and a net interest expense of $25,334;
- These outflows were offset by add-backs of $3,603 of depreciation expense (charged on field equipment, computer hardware, office furnishings and leasehold improvements), accrued interest of $6,400, a translation loss of $31,483 on the 2017 Promissory Note, and stock-based compensation expense of $325,627; and
- $231,148 of movements within the accounts payable and accrued liabilities and prepaid expenses and receivables accounts also contributed to the net use of funds in the operating activities.

Financing Activities

Financing activities generated a cash inflow of $4,673,708 from:

- 930,000 stock options were exercised for proceeds of $420,000;
- 530,536 warrants from the 2017 Offering were exercised for proceeds of $1,591,608;
- One of the agents who participated in the 2017 Offering exercised 41,650 Agents' Compensation Options. A payment of $2.00 per option ($83,300 in total) resulted in the issuance of 41,650 common shares and 20,825 warrants to the exercising agent. The warrants have the same terms as the 2017 Offering warrants including an expiry date of October 19, 2018; and
- $2,578,800 was generated pursuant to the Debenture financing referenced above (**See Section 3.2.1 Overview - Finance**).

During the three months ended March 31, 2017, the Company relied on short-term advances from the Lender of $98,272 to meet the Company's financial obligations.

Investing Activity

Investing activity generated a use of funds of $61,035. Assets purchased during the period included $56,060 for a portable XRF analyzer and $4,975 for computer and security equipment for the exploration and CSR teams in Macas.

During the three months ended March 31, 2017, the Company recorded an increase in cash of $6,093. Minimal operating activities used $92,179 of cash which was financed by $98,272 of short-term advances provided by the Lender.

3.4 SELECTED PERIOD FINANCIAL RESULTS

FINANCIAL POSITION	Three months ended March 31, 2018	Year ended December 31, 2017
Cash	**$1,359,450**	$671,346
Total assets	**1,636,150**	$788,801
Total liabilities	**3,945,304**	$1,737,956
Shareholders' equity (deficiency)	**(2,309,154)**	$(949,155)
Deficit	**(20,119,555)**	$(16,059,021)
STATEMENTS OF LOSS	**Three months ended March 31, 2018**	Three months ended March 31, 2017
Exploration expenses	**$612,033**	$13,531
Concession fees and related expenses	**$2,555,283**	-
Compensation - Stock-based expense, management, directors' and advisor fees	**$325,627**	$56,905
Other overhead expense	**$496,684**	$117,088
Total expenses before other items	**$3,989,627**	$187,524
Other (income) expenses:		
Interest income	**$(1,048)**	$-
(Gain) loss on foreign exchange	**$65,555**	$(519)
Interest expense	**$6,400**	$
Loss for the period	**$4,060,534**	$187,005

3.5 PROJECTS REVIEW

3.5.1 Operations - Ecuador

Land tenure & permits

Titles to the 42 mineral concessions that constitute the 207,764 hectare ("Ha") Lost Cities – Cutucu Project area in Ecuador, were granted on December 27 and 28, 2016, and are valid for 25 years, renewable for a subsequent 25 years, provided that the concessions are maintained in good standing. Maintenance of exploration concessions during the initial four-year exploration period of the title includes:

- Paying the annual concession fee to the State. The Company has the option to reduce the land position by relinquishing whole concessions or parts of concessions;
- Filing an annual report, due by March 31 each year, which includes itemized exploration expenditure, a summary of work undertaken and results obtained;
- The minimum expenditure required by law for each concession is USD5/Ha in the first two years and USD10/Ha in years 3 and 4. Although the Ministry of Mines reviews exploration expenditures itemized in each annual report, the determination as to whether minimum exploration expenditure has been met, is made at the end of the four-year initial exploration period;
- Obtaining an Environmental Impact Report ("*Informe de Factibilidad Ambiental*") in order to explore the concessions; and
- Locating corner markers on each concession.

The current status of these maintenance items is as follows:

- Concession fees of USD1,973,198 (average USD9.50/Ha) were paid for the first year of the exploration period by March 31, 2017 and USD2,004,923 (USD9.65/Ha) by March 31, 2018 for the second year of the exploration period;
- The annual exploration expenditure commitment for 2017 has been met and exceeded with the airborne geophysics survey that was completed over the Project and environs, as well as field work undertaken;
- An Environmental Impact Report was accepted by the Mining Authorities on May 11, 2017, allowing the Company to undertake reconnaissance exploration activities for the initial four-year term of the 42 concessions; and
- The emplacement of corner markers on the concessions is underway.

The size of the concession area constituting the Project may be reduced at the Company's discretion based on exploration results. 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-2018. 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.

Geophysical Survey

A heliborne magnetic and radiometric survey of approximately 12,379 line kilometres was completed over the Project in late 2017 by Ontario-based MPX Geophysics Ltd. Data from the survey are being interpreted by the exploration team, with the interpretation being iteratively refined as targets are defined by the field work.

Exploration Program

Reconnaissance Exploration

Four geologist-led field teams are focused on stream sediment sampling of the Project. The efficiency of the regional sampling crews will be augmented through the training of people with appropriate exploration-orientated aptitude from the local communities. Each exploration group will, in future, consist of two to three people from the Project area, each leading a sampling crew, with each group overseen by one field geologist. The training of the local people is being done in-house in the field. Stream sediment sampling started in the southwestern part of the Project area in August, 2017, and has recently encompassed part of the southern, northern and central part of the Project. Approximately 15% of the Project area has been covered by the stream sediment sampling program which has resulted in the definition of multiple targets as discussed below.

The exploration approach is that the stream sediment sampling teams will be followed by a team that refines and develops the targets and readies them for scout drilling. Once the scout drilling starts, it is anticipated that a man-portable diamond drill will be moved from one target to the next, behind the stream sediment sampling and target development teams.

Latorre district

Five discrete epithermal targets are located within an area of approximately 100 square kilometres and are jointly termed the Latorre district. The specific targets are Latorre East, Latorre West, Latorre A, Latorre B (now known as Crunchy Hill), and Latorre C. Stream sediment geochemistry in this area has detected elevated values of volatile elements such as naturally-occurring arsenic, antimony and mercury, combined with metals such as silver, molybdenum and zinc. Textures evident in chalcedonic silica blocks in streams are indicative of the upper levels of an epithermal system. Some features observed in the field are typical of those developed in the environs of present-day geysers. Although silver is enriched in rock-chip samples in parts of the Latorre district, very little gold has been detected to date. The presence of silver and the lack of gold is consistent with the upper parts of an epithermal system – typically the gold precipitation zone lies 100-200 metres below the surface at which geyser activity occurred. These targets are now being mapped in more detail, and soil sampling undertaken, to refine the targets (see press release dated February 28, 2018).

Awacha target area

The Awacha target area is located approximately 70 kilometres from the Latorre district and consists of a cluster of 13 magnetic centres identified in the airborne magnetometer survey. Initial stream sediment sampling has identified elevated molybdenum and arsenic associated with one of the magnetic centres that also exhibits quartz-sericite-pyrite alteration. The coincidence of these characteristics suggests that the areas of enhanced magnetism represent the cores of porphyry systems. This cluster of targets will undergo more detailed mapping while other teams work on completing stream sediment sampling over the area (see press release dated March 15, 2018).

Charip target area

Chalcedonic silica blocks, with textures typical of modern-day geyser platforms, and a feature of the upper parts of epithermal mineralized systems, have been found by the Company's reconnaissance exploration teams in an entirely new part of the Project, named the Charip target area. Data from the heliborne geophysical survey in that area define several strongly magnetic features that had been flagged as possible porphyry targets. The silica blocks were found in streams peripheral to the strongly magnetic features, which is encouraging since epithermal deposits commonly lie above deep-seated porphyries, or lateral to them (see press release dated April 26, 2018).

Target-Specific Exploration

The Latorre B target has been renamed "Crunchy Hill". A two-point stream sediment anomaly in arsenic, antimony, selenium, thallium and silver led to the discovery of a ridge in which vuggy silica and cross-cutting banded chalcedonic silica veins are exposed. The outcrop lies immediately beneath a brown shale that caps the vuggy silica and quartz veins and the epithermal system is suspected to extend beneath the shale. A soil grid has been cut over the ridge and environs, and initial soil sampling has been completed at a spacing of 100m x 25m over the central area, extending to 200m x 50m over peripheral areas. Initial analysis of the soils was done with portable XRF equipment in the field office. Geochemical results received from the conventional assay lab corroborate results obtained from the portable XRF equipment for some of the pathfinder elements (see press release dated April 26, 2018).

Corporate Social Responsibility

The Company's CSR team, under the guidance of Toronto-based O-Trade, is tasked with approaching local communities to provide information as to proposed exploration in the area, to undertake workshops that illustrate the type of work envisaged for the area, and to facilitate local training, if necessary, by the exploration team. After each community has consented to exploration being undertaken on their land, the CSR group works with the community to ensure that the available work with the exploration groups is equitably divided among residents who are keen to work with the exploration team.

Lost Cities – Cutucu Project Exploration Expenditures

During the three months ended March 31, 2018:

- The Company expended $612,033 in for field-related exploration, as follows:
  - $61,086 for field office costs;
  - $90,154 for project management fees (100% VPX and 70% President);
  - $147,609 for salaries and consulting fees for the exploration teams;
  - $46,273 in field expenses and equipment;
  - $91,073 for in-country and international travel for members of the exploration team;
  - $129,131 for consulting fees, field costs and travel and accommodation of the CSR team;
  - $37,529 for geochemical analysis and assay;
  - $9,178 for geophysics consulting fees.

A total of $nil (2017 - $52,973) is shown separately on the statement of loss for a project evaluation expense which included technical project evaluation fees in the prior year.

Lost Cities – Cutucu Project G&A Expenditures

During the three months ended March 31, 2018 the Company spent $46,611 (2017 - $nil) for salaries and benefits for administration teams in the Quito and Macas offices. Ongoing rent, supplies, utilities, telecommunication and internet costs are approximately $8,600 per month for the Quito office. These costs are allocated in the Interim Financial Statements on the statement of loss in office and general and professional and administration fees.

3.5.2 Operations - SWITZERLAND

The Company, through its wholly-owned subsidiary AVS, has been maintaining a 100% interest in three exploration permits (the "Permits") in Switzerland, in the Canton of Valais (the "Canton") subject to a 3% gross value royalty payable to the Canton and a 0.75% gross value royalty payable to the surface rights holders.

Permit Status

In 2015, the Company made formal application to obtain new five-year Permits and were advised that the Canton Authority (the "Ministry") intended to revise the Swiss Mining Law prior to issuing new permits. The applications were deemed legally "frozen", therefore Management believes all rights, title and interest under the Permits, have been preserved. To March 31, 2018, Management is unaware of any change in the status of the Permits.

Exploration Expenditures

During the three months ended March 31, 2018, there were $nil (2017 - $13,531) expenses charged to exploration for technical consulting fees, permit maintenance and intercompany and property costs.

3.6 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Net revenue ($)	Net Loss ($)	Loss per Share ($)
March 31, 2018	-	4,060,534	0.15
December 31, 2017	-	1,690,093	0.06
September 30, 2017	-	1,418,620	0.05
June 30, 2017	-	5,949,606	0.24
March 31, 2017	-	187,005	0.01
December 31, 2016	-	163,073	0.01
September 30, 2016	-	185,481	0.01
June 30, 2016	-	83,785	0.00

3.7 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 March 31, 2017 was in deficiency of $2,309,154 (December 31, 2017 - deficiency of $949,155). The Company manages and makes adjustments to its capital structure based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets.

3.7.1 Indebtedness

Promissory Note - Mineral Concessions Loan ("MCL")

On March 20, 2017, the Lender advanced USD2,000,000 to ESA to facilitate the payment of the 2017 minerals concession fees, pursuant to an unsecured, promissory note loan. On May 29, 2017 the Company repaid USD1,000,000 of the MCL from the proceeds of the 2017 Offering.

For the three months ended March 31,	2018	2017
Balance, beginning of period	**$1,273,000**	$-
Accrued interest	6,400	-
Settlement of debt	(280,000)	
Foreign exchange translation loss	31,483	-
Balance, end of period	**$1,030,883**	$-

Subsequent to March 31, 2018:

- the Company negotiated an extension of the MCL to include a deferred maturity date of May 29, 2019;
- the Lender settled $280,000 of the MCL in consideration of exercising 700,000 Company stock options at $0.40 per option. Accordingly, the Company issued 700,000 common shares to the Lender in exchange for reducing the principal owing on the MCL by USD217,168 ($280,000).

To March 31, 2018, accrued interest owing on the MCL is $21,500 (December 31, 2017 - $15,100).

Promissory Note - Other

In the three months ended March 31, 2017, the Company relied on advances from the Lender in the amount of $98,272 which were fully repaid on May 29, 2017, as part of the settlement of $750,000 of cumulative promissory note advances, which was satisfied with the issuance of 375,000 shares of the Company in 2017.

Convertible Debenture Advance

On March 20, 2018, the Lender advanced USD2,000,000 ($2,578,800) to the Company to pay the 2018 mineral concession fees (US2,004,923). Subsequent to period end, the Company formalized the loan transaction with a convertible debenture loan agreement (the "Debenture") **(See 3.19 Subsequent Events**).

3.7.2 Inflows of Cash and Expenditures

Cash inflows, year-to-date are $2,134,908 from the exercise of stock options, warrants and Agents' Options and $2,578,800 of loan proceeds. Cash outflows year-to-date are $1,050,000 on exploration, $2,555,283 on concession fees and related expenses, $175,000 for aged payables and $1,225,000 for corporate and administration costs. Cash on hand at May 28, 2018 is $676,529.

3.7.3 Funding Outlook

As the Company has no steady source of revenues or cash flow and has implemented its exploration plan as anticipated, additional financing will be required to further advance exploration at the Project, to meet ongoing obligations and discharge the Company's liabilities in the normal course of business. As anticipated, the majority of the 2017 Offering financing has been spent on Project acquisition, training and mobilizing the exploration teams, implementing a CSR program and establishing bases of operation, commencing exploration as well as conducting the heliborne geophysics survey over the Project area and environs. The next financing is anticipated to be focused on continuing the reconnaissance exploration program and follow-up exploration to prepare targets for scout drilling planned to commence in the latter half of 2018. Management is considering different sources of potential funding to undertake these next phases of exploration, including equity issuances, short-term loans and the exercise of warrants and stock options.

3.8 FINANCIAL MANAGEMENT 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). Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management. There have been no significant changes in the risks, objectives, policies and procedures during the reporting period.

3.8.1 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 has no significant concentration of credit risk arising from its operations. Cash is held at select Canadian, Swiss and Ecuadorian financial institutions, from which Management believes the risk of loss to be low. The Company does not have any material risk exposure to any single debtor or group of debtors.

3.8.2 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 **(See 3.7 Liquidity and Capital Resources**).

As at March 31, 2018, the Company had $1,359,450 in cash to settle $3,945,304 of liabilities. The liquidity risk at March 31, 2018, is therefore material.

3.8.3 Market risk

Market risk is the risk related to changes in the 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.

3.8.4 Interest rate risk

Cash balances are 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.

3.8.5 Foreign currency risk

Certain of the Company's expenses are incurred in USD and CHF and are therefore subject to gains or losses due to fluctuations in these currencies relative the Canadian Dollar, in which currency funds are raised through equity placements. Management believes that the foreign exchange risk derived from currency conversions is best served by not hedging its foreign exchange risk. At March 31, 2018 and December 31, 2017, the Company's exposure to foreign currency risk with respect to amounts denominated in USD and CHF was substantially as follows:

In Canadian $ equivalents	**March 31, 2018**	December 31, 2017
Cash	**$349,201**	$8,393
Accounts payable, accrued liabilities, promissory notes and convertible debenture	**(3,749,578)**	(1,391,262)
Net exposure	**$(3,400,377)**	$(1,382,869)

3.8.6 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 volatility. The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of gold, silver, copper and other commodities.

Commodity prices have fluctuated significantly in recent years. There is no assurance that these metals will be produced in the future or that a profitable market will exist for them. As of March 31, 2018, and December 31, 2017, the Company was not a metals commodity producer.

3.8.7 Sensitivity analysis

As of March 31, 2018, and December 31, 2017, 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 USD and the CHF at March 31, 2018 would have decreased the net asset position of the Company by $340,038 (December 31, 2017 – $138,287). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

3.9 EQUITY

3.9.1 Share Capital – Activity during the three months ended March 31, 2018:

	# Shares	Par Value	Share Premium
Balance – December 31, 2017	**27,385,625**	**$273**	**13,019,518**
Shares issued for exercise of options	930,000	9	706,566
Shares issued for debt settlement	700,000	7	495,733
Shares issued for exercise of warrants	530,536	5	1,840,380
Shares issued for exercise of agents' options	41,650	1	121,829
Balance – March 31, 2018	**27,385,625**	**$295**	**$16,184,016**

3.9.2 Stock Options - Activity during the three months ended March 31, 2018:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
Balance - December 31, 2017	**2,695,000**	**$0.80**	**$1,134,838**
Issued	250,000	$2.89	202,009
Exercised	(1,600,000)	$(0.40)	(476,512)
Exercised	(30,000)	$(2.00)	(25,793)
Stock-based compensation expense	-	-	87,975
Balance – March 31, 2018	**1,315,000**	**$0.98**	**$922,517**

Stock options – Outstanding at March 31, 2018:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
100,000	100,000	$0.40	April 11, 2018	$29,782
415,000	276,666	$0.60	July 13, 2021	205,888
150,000	50,000	$2.30	May 26, 2022	178,287
370,000	123,333	$2.00	November 2, 2022	280,758
30,000	30,000	$2.00	May 3, 2019	25,793
250,000	83,250	$2.89	March 2, 2023	202,009
1,315,000	**663,249**			**$922,517**

3.9.3. Restricted Stock Units - The following summarizes the RSU activity during the three months ended March 31, 2018:

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2017	**124,500**	**$0.19**	**$23,363**
Stock-based compensation expense	-	$0.28	35,643
Balance – March 31, 2018	**124,500**	**$0.47**	**$59,006**

3.9.4 Warrants - The following summarizes the warrants and Agents' Options activity and outstanding warrants and Agents' Options for the three months ended March 31, 2018:

	Number of Warrants/ Agents' Options (1)	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2017	**1,744,645**	**$2.92**	**$883,874**
Exercised	(530,536)	$3.00	(248,777)
Exercised	(41,650)	$2.00	(38,530)
Issued upon exercise of agents' options	20,825	-	-
Balance – March 31, 2018	**1,193,284**	**$2.87**	**$596,567**

(1) The warrants and agents' options expire October 19, 2018

3.10 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 three months ended MARCH 31,	2018	2017
Management fees (1)	**$80,173**	$15,000
Management fees (1)	**90,154**	-
Director and advisor fees (2)	**16,250**	15,000
Stock-based compensation (3)	**232,136**	26,905
Total key management compensation expense	**$328,559**	$56,905

(1) 2018 - 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. In 2017, the CFO was the only paid Management consultant.

(2) 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. **See 3.18 Commitments and Contingencies**.

(3) This amount is the fair value expense of vested stock options and RSUs granted to key Management during the three months ended March 31, 2018. The balance of $93,491 is the fair value expense of stock options and RSUs granted to other employees and consultants not included here.

3.11 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 in the three months ended March 31, 2018:

- A total of $37,500 (2017 - $nil), plus applicable taxes was charged to the Company by a management company controlled the President, for management consulting fees (the "Fees"). Included in accounts payable and accrued liabilities at March 31, 2018 is $14,125 (December 31, 2017 - $21,573) owed to the President's company, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand;
- A total of $18,750 (2017 - $15,000), plus applicable taxes was charged to the Company by a management company controlled by the Chief Financial Officer ("CFO"), for consulting fees. Included in accounts payable and accrued liabilities at March 31, 2018 is $14,125 (December 31, 2017 - $nil) owed to the CFO's company, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand;
- A total of $42,975 was charged to the Company by a management company controlled by the Vice President, Exploration ("VPX"), for project management consulting fees. Included in accounts payable

and accrued liabilities at March 31, 2018 is $23,151 owed to the VPX (December 31, 2017 - $19,711), for unpaid consulting fees and reimbursable expenses. For the same period in 2017, the consultant charged $23,310 to the Company for project management consulting fees, as “Chief Geologist”;

- During the three months ended March 31, 2018, the Company incurred $127,500 (2017 - $nil) of service costs provided by a company owned by a company controlled by a director/principal shareholder of the Company (“New ServiceCo”) for certain services including office space, investor relations and marketing, administrative and IT services (the “Services”). These costs were allocated in the financial statements as follows: $54,000 to office and general (including rent and administrative), $21,000 for investor relations, marketing and IT and $52,500 was charged to exploration expenses – office. Included in accounts payable and accrued liabilities at March 31, 2018 is $39,550 (December 31, 2017 - $55,162) owed to New ServiceCo, for unpaid services. These amounts are unsecured, non-interest bearing and due on demand. (See 3.18 Commitments and Contingencies); and
- During the three months ended March 31, 2017, the Company incurred $32,400 of service costs, provided by another company controlled by the director/principal shareholder of the Company (“Old ServiceCo”). These costs were allocated in the condensed consolidated interim financial statements as follows: $17,100 to office and general (including $15,000 rent), $2,700 to investor relations, $6,000 to operations in Switzerland and $6,600 to professional and administration fees. Included in trade and other payables at March 31, 2017 is $195,522 (December 31, 2016 - $163,122) owing to Old ServiceCo for these unpaid costs. These amounts are unsecured, non-interest -bearing and due on demand (See **3.18 Commitments and Contingencies**).

3.12 OFF-BALANCE SHEET TRANSACTIONS

There are no other transactions contemplated at this time.

3.13 PROPOSED TRANSACTIONS

The Company has no proposed transaction to acquire any additional assets or to dispose of any asset of the Company. However, from time to time, and like other junior mineral exploration enterprises, the Company may acquire or dispose of property assets as determined by Management based on exploration results, opportunities, the competitive nature of the business, and venture-capital availability.

3.14 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:

(i) the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;

(ii) the inputs used in accounting for stock-based compensation expense in the condensed consolidated interim statement of loss;

(iii) the $nil provision for decommissioning and restoration obligations which are included in the condensed consolidated interim statement of financial position; and

(iv) the existence and estimated amount of contingencies **(See 3.18 Commitments and Contingencies).**

(v) the valuation of the acquisition of ESA.

3.15 ESTMA REPORTING

The *Extractive Sector Transparency Measures Act* (the Act) was enacted on December 16, 2014, and brought into force on June 1, 2015. The Act delivers on Canada’s international commitments to contribute to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. Reports are made annually within 150 days after year end. Therefore the 2018 ESTMA report will include the USD2,004,923 ($2,535,880) for mineral concession fees that were paid to the Ministry of Mines in Ecuador.

3.16 CHANGES IN ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

3.16.1 Changes in Accounting Policies

During the three months ended March 31, 2018, the Company adopted several new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 9 and IFRIC 22. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

3.16.2 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.

3.17 RISKS AND UNCERTAINTIES

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

3.17.1 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 the hazards and risks normally associated with mineral exploration and the development of deposits, many of which could result in work stoppages, damage to property, and possible environmental damage. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. None of the properties in which Aurania has an interest has a defined orebody and there is no assurance that any of Aurania's mineral exploration and development activities will result in the discovery of a commercially viable mineral deposit. Exploring in a foreign jurisdiction subjects the Company to additional risks including potential political change, changes in law or policies, inability to obtain permits or delays in obtaining them, 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.

3.17.2 Ability of Community Stakeholders to Impede Project Success

The Company recognizes that it is crucial that it engages with key constituency groups to mitigate the social and business risk associated with exploration on properties owned by non-shareholding stakeholders. The Company has implemented a comprehensive CSR program as a fundamental component of its activities in the Project.

3.17.3 Corporate Social Responsibility

The Company has engaged a professional CSR company to assist in the development and implementation of a CSR strategic framework that allows for collaboration with key stakeholders in a non-confrontational and respectful manner.

3.17.4 Property Title

Property title may be jeopardized by unregistered prior agreements or by the Company not fully complying with 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 that challenges to the titles may not emerge.

3.17.5 Environmental Matters

The Company's exploration activities are subject to various federal, cantonal, provincial and international laws and regulations governing the protection of the environment. The Company believes that its operations are materially in compliance with all applicable laws and regulations. However, the Company has engaged, and is reliant upon, an environment specialist consultant to keep the Company informed and compliant with respect to environmental rules and regulations.

3.17.6 Foreign Country Risk

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

The Company mitigates foreign country risk by keeping apprised of Ecuador'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 Company's ability to operate or impact the financial results of the Company.

3.17.7 Capital and Financial Management Risk

See Financial Management Risk.

3.18 COMMITMENTS AND CONTINGENCIES

3.18.1 Environmental Contingencies

The Company's exploration activities are subject to various federal, provincial, municipal and international 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 that its operations are materially in compliance with all applicable laws and regulations.

3.18.2 Service Costs and Consulting Agreements

Commencing October 1, 2017, the Company entered into a formal agreement with New ServiceCo to provide the Services at a monthly cost of $42,500. These costs were allocated as follows: $7,000 for investor relations and marketing, $18,000 for general and office (including rent) and the remaining $17,500 for costs directly related to the Project. Termination of the agreement can be effected with 90 days' notice by either party.

The 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 the President would be entitled to an additional lump-sum cash payment equal to three months of monthly retainer fee. Should the President'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 CFO provides financial/accounting and corporate secretarial services to the Company pursuant to an annual, renewable consulting agreement, also through a personal management company. The CFO's annual compensation is $75,000. Early termination of the agreement requires 90 days' written notice by either the CFO or the Company.

The Company's VPX provides geological/technical consulting services to the Company, through ESA, pursuant to a consulting agreement. The VPX's annual compensation is USD124,188 plus benefits. Should the Company terminate his contract without cause or if he is constructively dismissed, on or before January 1, 2021, he is entitled to receive six months' salary plus an additional 25% of his monthly salary for each year or fraction of a year, worked for ESA. If early termination occurs after this date, he will receive 125% of one-month's salary for each year or fraction of a year worked for ESA.

Since mid-year 2017, the Company has run a CSR program under the guidance of a Toronto-based consulting firm, in tandem with the Project 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 March 2, 2018, the Company appointed Mr. Alfred Lenarciak as an independent special financial advisor to the Board. His compensation is $15,000 per annum and the Board granted to him, 150,000 five-year stock options, with an exercise price of $2.89. He has been added to the Management slate of directors for the Company's upcoming Annual and Special Meeting, to be held on June 13, 2018. Should he not become a director for any reason, his advisory appointment will terminate August 31, 2018 and the expiration of his stock options will be advanced to September 30, 2018 (**See 3.10 Key Management Expense).**

3.19 SUBSEQUENT EVENTS

3.19.1 Promissory Note

On April 4, 2018, the Lender agreed to extend the maturity date of the 2017 Promissory Note to May 29, 2019. All other terms of the note remain the same.

3.19.2 Convertible Debenture Closing

On May 23, 2018, the Company announced the closing of a USD2,000,000 convertible debenture with the Lender in relation to the loan made to the Company for the payment of the 2018 mineral concession fees on March 20, 2018. See note 6 – Promissory Note and Convertible Debenture Advance. Terms of the Debenture include non-cumulative interest being payable at 2% per annum, a maturity date of May 28, 2019 and a right to convert part or the whole of the Debenture into common shares of the Company, at $3.00 per share. Conversion of the whole Debenture would result in the issuance of 877,192 common shares to the Lender, which would be subject to the standard hold period of four months and one day from issuance.

3.19.3 Stock Options

On April 4, 2018 the Board granted 300,000 five-year stock options to the Chairman/CEO. The options have an exercise price of $2.68 and vest over two years.

On April 20, 2018, 100,000 stock options were exercised for proceeds of $40,000.

3.20 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.

3.21 SHARE DATA

As at	Common Shares(1)	Warrants	Agents' Options and Warrants	Stock Options	RSUs 4)	Fully Diluted
December 31, 2016	22,759,735	-	-	2,165,000	-	24,924,735
December 31, 2017	27,385,625	1,600,445	144,200	2,695,000	124,500	32,021,870
May 28, 2018	29,687,811(1)	1,088,298(1)	102,550 1) (3)	1,515,000(1) (2)	124,500	32,569,434

(1) A total of 2,302,186 common shares have been issued since year-end in relation to the exercise of: 1,730,000 stock options, 530,536 May 2017 warrants and 41,650 Agents' Compensation Units.

(2) A total of 550,000 stock options were granted between March 2 and April 5, 2018. They are five-year options that vest over two years and the exercise price range is $2.68 to $2.89.

(3) Each agent compensation option entitles the holder to purchase an Agent Unit comprised of one common share and one-half purchase warrant. Therefore, the purchase of the Agent Units and subsequent exercise of the Agents' Warrants would result in the issuance of 102,500 common shares and 51,275 warrants.