



AURANIA

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

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AURANIA

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING AND NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Aurania Resources Ltd. (the "Company") for the three months ended March 31, 2022 are the responsibility of the Company's management ("Management") and have been prepared by Management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed consolidated interim financial statements in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for condensed consolidated interim financial statements.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professionals Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

AURANIA RESOURCES LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)***(Expressed in Canadian dollars)*

AS AT	MARCH 31, 2022	DECEMBER 31, 2021
ASSETS		
Current assets		
Cash	\$1,958,246	\$4,522,657
Prepaid expenses and receivables	152,938	245,965
Total current assets	2,111,184	4,768,622
Non-current assets		
Property and equipment (note 5)	168,794	184,863
TOTAL ASSETS	\$2,279,978	\$4,953,485
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	\$607,023	\$1,219,364
Total current liabilities	607,023	1,219,364
Long-term liability		
Promissory notes (note 6)	5,295,337	4,043,912
TOTAL LIABILITIES	\$5,902,360	\$5,263,276
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 7)	\$540	\$520
Share premium (note 7)	66,687,511	66,082,072
Share to be issued (note 7)	732,054	732,054
Warrants (note 9)	7,392,377	7,252,555
Contributed surplus and shareholder contribution (notes 6 and 8)	9,045,764	8,507,647
Accumulated deficit	(87,480,628)	(82,884,639)
Total equity (deficiency)	(3,622,382)	(309,791)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	\$2,279,978	\$4,953,485

Nature of operations and business continuance (note 1)

Commitments and contingencies (notes 4 and 14)

Subsequent events (note 15)

APPROVED BY THE BOARD:

Signed, "Jonathan Kagan", Director

Signed, "Keith M. Barron", Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (Unaudited)

(Expressed in Canadian dollars)

	ISSUED CAPITAL				RESERVES			
	Common Shares #	Share Capital	Share Premium	Shares to be issued	Warrants	Contributed Surplus	Accumulated Deficit	Total Equity Surplus (Deficiency)
Balance - December 31, 2020	43,951,179	\$440	\$54,863,605	\$183,949	\$2,463,801	\$6,410,229	\$(60,463,012)	\$3,459,012
Shares issued for RSUs (note 7i)	5,000	-	10,700	(10,700)	-	-	-	-
Expiry of warrants	-	-	-	-	(379,630)	-	379,630	-
RSUs cancelled (note 8)	-	-	-	-	-	(24,263)	24,263	-
Stock-based compensation - Restricted stock units "RSUs" compensation (note 8)	-	-	-	-	-	182,181	-	182,181
Stock based compensation – Option compensation (note 8)	-	-	-	-	-	427,531	-	427,531
Shareholder Contribution	-	-	-	-	-	235,414	-	235,414
Net loss for the period	-	-	-	-	-	-	(7,577,859)	(7,577,859)
Balance – March 31, 2021	43,956,179	\$440	\$54,874,305	\$173,249	\$2,084,171	\$7,231,092	\$(67,636,978)	\$(3,273,721)

	ISSUED CAPITAL				RESERVES			
	Common Shares #	Share Capital	Share Premium	Shares to be issued	Warrants	Contributed Surplus	Accumulated Deficit	Total Equity Surplus (Deficiency)
Balance - December 31, 2021	51,959,675	\$520	\$66,082,072	\$732,054	\$7,252,555	\$8,507,647	\$(82,884,639)	\$(309,791)
Shares issued for Private Placement (note 7(i))	1,996,653	20	1,397,637	-	-	-	-	1,397,657
Less share issue costs (note 8)	-	-	(37,264)	-	(30,112)	-	-	(67,376)
Warrants issued for Private Placement (note 7(i))	-	-	(754,934)	-	(754,934)	-	-	-
Expiry of warrants (note 9)	-	-	-	-	(585,000)	-	585,000	-
RSUs cancelled (note 8)	-	-	-	-	-	(60,958)	60,958	-
Stock-based compensation - Restricted stock units "RSUs" compensation (note 8)	-	-	-	-	-	90,633	-	90,633
Stock based compensation – Option compensation (note 8)	-	-	-	-	-	201,146	-	201,146
Shareholder Contribution	-	-	-	-	-	307,296	-	307,296
Net loss for the period	-	-	-	-	-	-	(5,241,947)	(5,241,947)
Balance – March 31, 2022	53,956,328	\$540	\$66,687,511	\$732,054	\$7,392,377	\$9,045,764	\$(87,480,628)	\$(3,622,382)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian dollars)

Three months ended MARCH 31,	2022	2021
Operating Expenses:		
Exploration expenditures (note 11)	\$3,826,469	\$6,137,281
Stock-based compensation (notes 8, 10)	291,779	609,712
Investor relations	168,720	180,289
Office and general	218,597	216,767
Management	472,867	131,892
Professional and administration fees	97,694	83,324
Regulatory and transfer agent fees	33,387	41,559
Director and advisor fees (note 10)	15,000	18,750
Amortization (note 5)	15,401	13,244
Total expenses	5,139,914	7,432,818
Other Expenses/ (Income)		
Loss on foreign exchange	(55,085)	1,004
Interest income	(1,124)	(675)
Accretion of shareholder contribution (note 6)	158,242	144,712
Net Loss and comprehensive loss for the period	\$5,241,947	\$7,577,859
Basic and diluted loss per share	\$0.10	\$0.17
Weighted average common shares outstanding – basic and diluted	52,002,109	43,955,561

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)***(Expressed in Canadian dollars)*

Three months ended MARCH 31,	2022	2021
Cash flows from the following activities:		
Operating activities:		
Net loss for the period	\$(5,241,947)	\$(7,577,859)
Adjustment for:		
Amortization (note 5)	15,401	13,244
Stock-based compensation	291,799	609,712
Accrued interest and accretion (note 6)	158,242	144,712
Foreign exchange (note 6)	(108,705)	(41,302)
Non-cash items:		
Prepaid expenses and receivables	93,027	(73,936)
Advance for mineral property interest	-	115,081
Accounts payable and accrued liabilities	(612,341)	314,961
Net cash used in operating activities	(5,404,524)	(6,495,387)
Financing activities:		
Share issue for private placement	1,397,657	-
Less share issue costs	(67,376)	-
Promissory note 2022 (note 6)	1,510,500	-
Net cash provided by financing activities	2,840,781	-
Investing activity:		
Purchase of property and equipment (note 5)	(668)	(21,509)
Net cash used in investing activities	(668)	(21,509)
(Decrease)/ Increase in cash	(2,564,411)	(6,516,896)
Cash – beginning of period	4,522,657	8,178,956
Cash – end of period	1,958,246	1,662,060

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2022 (Unaudited)
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE

Aurania Resources Ltd. (the “Company”) was incorporated under the laws of Bermuda on June 26, 2007 pursuant to the provisions of The Companies Act 1981 (Bermuda). On February 18, 2011, the Company registered extra-provincially in the Province of Ontario, Canada. The registered head office of the Company is located at 31 Victoria Street, Hamilton, HM10, Bermuda. The corporate office is located at Ste. 1050 – 36 Toronto St., Toronto, ON M5C 2C5.

The Company is a junior exploration mining company engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals. On May 26, 2017, the Company acquired EcuSolidus, S.A. (“ESA”), a private Ecuador-based company, owned by the principal shareholder of the Company, in order to acquire all the rights, title and interest in 42 mineral exploration licenses in Ecuador (the “Lost Cities – Cutucu Project” or the “Project”). **See note 4 – Mineral Property Interests.**

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration program will result in profitable mining operations. The recoverability of the amounts expended on mineral property interests and the carrying value of property, plant and equipment and the Company’s continued existence is dependent upon the preservation of its interest in recoverable reserves, the achievement of profitable operations, maintenance of concessions and, the ability of the Company to raise necessary financing to complete its planned exploration program.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration activities and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements. **See note 4 – Mineral Property Interests** regarding the current status of the Company’s permits and licenses. The Company’s assets are located in Ecuador and Peru and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

Novel Coronavirus (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The impact to date is that additional costs associated with conducting the Company’s COVID-19 protocol, which include the direct costs of testing, increased cleaning as well as periodic limits on numbers of personnel and lost time due to quarantine requirements. However, operations were able to continue for most of the year although sometimes at a reduced level. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

As at March 31, 2022 the Company had current assets \$2,111,184 (December 31, 2021 - \$4,768,622) to fund current liabilities of: accounts payable and accrued liabilities of \$607,023 (December 31, 2021 - \$1,219,364), and long-term promissory notes of \$5,295,337 (December 31, 2021 - \$4,043,912). Further, the

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE, continued

Company had an accumulated deficit of \$87,480,628 (December 31, 2021 - \$82,884,639) and working capital surplus of \$1,504,161 (December 31, 2021 - surplus \$3,549,258).

The Company's ability to continue operations and fund its future exploration property expenditures is highly dependent on Management's ability to secure additional financing. Management acknowledges that while it has been successful in raising sufficient capital in the past, there can be no assurance it will be able to do so in the future. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34 - Interim Financial Reporting using the accounting policies consistent with IFRS as issued by the IASB.

The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS policies issued and outstanding as of the date the Board of Directors approved these interim financial statements being May 25, 2021. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as those applied in note 4 of the Company's most recent annual consolidated financial statements for the year ended December 31, 2021 and have been consistently applied throughout all periods presented, as if these policies had always been in effect. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in the restatement of these condensed consolidated interim financial statements.

Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities, which are measured at fair value. All amounts have been expressed in Canadian dollars, the Company's functional currency, unless otherwise stated and "USD" represents United States dollars, "CHF" represents Swiss francs and "SOL" represents Peruvian SOL. All amounts have been rounded to the nearest dollar, unless otherwise stated.

Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries: AuroVallis Sarl ("AVS"), incorporated under the laws of Switzerland, ESA, incorporated under the laws of Ecuador and Sociedad Minera Vicus Exploraciones S.A.C, incorporated under the laws of Peru. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant accounting judgments and estimates, continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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:

Estimation of decommissioning and restoration costs and the timing of expenditure

Management is not aware of any material restoration, rehabilitation and environmental provisions as at March 31, 2022 and December 31, 2021. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated at least annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Share-based payments and warrants

Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments for share-based payments include estimating the future volatility of the share price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Assumptions and judgments for determining the value of warrants include estimating the future volatility of the share price, expected dividend yield, expected risk free rate of return etc. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Significant accounting judgments and estimates, continued

Business combinations vs. asset acquisitions, continued

Determination of whether a set of assets acquired, and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. In making this determination, the Company considers items including, but not limited to: whether there are inputs and processes attributable to the set of assets and liabilities, the extent of the infrastructure in place, the work required to bring the acquired assets to production and whether the project has resources or reserves.

Such judgments are inherently uncertain and could have a significant effect on the method of accounting for the acquisition and the disclosures required.

See notes 4 and 14 – Commitments and Contingencies.

3. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and shareholder contribution and accumulated deficit, which at March 31, 2022 was a deficiency of \$3,622,382 (December 31, 2021 – deficiency of \$309,791). The Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition and exploration of mineral properties. Management does this in light of 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 three months ended March 31, 2022. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange (“TSXV”), which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at March 31, 2022, the Company believes it is compliant with the policies of the TSXV.

Financial risk management

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency, and commodity price risk). Risk management is carried out by management, with guidance from the Audit Committee under policies approved by the Board of Directors (the “Board”). The Board also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies, and procedures during period ended March 31, 2022.

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, Ecuadorian, and Peruvian 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.

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, continued

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Company generates cash flow primarily from its financing activities. As at March 31, 2022, the Company had available cash of \$1,958,246 (2021 - \$4,522,657) to settle current liabilities of \$607,023 (2021 - \$1,219,364). Also, the Company has long-term liabilities of \$5,295,337 (2021 - \$4,182,495) **See note 6 – Promissory notes and convertible debenture**. All the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for its promissory notes. In addition to the commitments disclosed in Note 14, the Company is obligated to the following contractual maturities of undiscounted cash flows as at March 31, 2022:

In Canadian \$ equivalents	Carry amount	Contractual cash flows	April 1, 2022 to March 31, 2023	Thereafter
Accounts payable and accrued liabilities	607,021	607,021	607,021	-
Promissory note 2017 (note 6)	502,038	574,769	-	574,769
Promissory note 2019 (note 6)	3,475,486	3,871,821	-	3,871,821
Promissory note 2022 (note 6)	1,317,813	1,511,640	-	1,511,640
	5,902,358	6,565,251	607,021	5,958,230

As the Company has no steady source of revenues or cash flow and has implemented its exploration plan as anticipated, it is highly probable that additional financing will be required during 2022 to further advance exploration at the Project, to meet ongoing financial obligations and discharge the Company's liabilities, in the normal course of business. The Company is considering different sources of potential funding to advance exploration, including equity issuances, short-term loans, the exercise of warrants and stock options and joint venture partnerships.

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.

(i) 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.

(ii) Foreign currency risk

Certain of the Company's expenses are incurred in United States dollars and Swiss francs and are therefore subject to gains or losses due to fluctuations in these currencies. Management believes that the foreign exchange risk derived from currency conversions is best served by not hedging its foreign exchange risk.

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, continued

(ii) Foreign currency risk, continued

At March 31, 2022 and December 31, 2021, the Company's exposure to foreign currency risk with respect to amounts denominated in USD, CHF, and SOL, was substantially as follows:

In Canadian \$ equivalents	March 31, 2022	December 31, 2021
Cash	\$538,194	\$2,617,298
Accounts payable, accrued liabilities, promissory notes	(5,477,764)	(5,162,336)
Net exposure	\$(4,939,570)	\$(2,545,038)

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, 2022, and December 31, 2021, the Company was not a metals commodity producer.

Sensitivity analysis

At March 31, 2022 and 2021, both the carrying and fair value amounts of the Company's short-term financial instruments are approximately equivalent due to their short-term nature. The carrying amount of the long-term promissory notes at March 31, 2022 approximates their fair value. The fair value of the long-term promissory notes at March 31, 2022 is approximately \$5,181,070. This was estimated based on discounting the promissory notes at an estimated discount rate of 15% with term a term of one year.

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 CHF and SOL would have decreased the net asset position of the Company as at March 31, 2022 by \$379,117 (at December 31, 2021 – \$255,000). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

4. MINERAL PROPERTY INTERESTS

ECUADOR

a) Mineral concessions and obligations

The Company acquired the rights, title and 100% interest in the Lost Cities Project, comprised of certain mineral concessions covering 207,764Ha in southeastern Ecuador, on May 26, 2016 and subsequently registered before the Mining Registry of the Mining and Non-Renewable Natural Resources Regulation and Control Agency in compliance with the Mining Law. The concessions are valid for 25 years, renewable for a subsequent 25-year period, provided that the concessions are maintained in good standing. Mineral concessions are regulated according to the following phases:

- **Initial Exploration (up to four years).** On December 31, 2020, the Ecuadorian government adopted new legislation establishing that the four years of Initial Exploration starts on the day the mineral concession holder, having completed certain administrative acts, receives the permits required to

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS, continued

ECUADOR, continued

a) Mineral concessions and obligations, continued

effectively conduct operational activity and not, as had previously been the case, the date when the concession is first granted. As a result, the effective date for the initial exploration of each concession is considered on a case-by-case basis with each concession having its own expiry date for the four years of Initial Exploration. The administrative acts required before permits are granted include: i) Environmental Registry; ii) Certificate of non-affectation of water sources; and iii) Affidavit of not affecting public infrastructure.

Each year a concession holder is required to pay a concession fee and meet minimum expenditure requirements, calculated as follows:

- In accordance with the Mining Law, by March 31 each year a Company must pay a concession fee for each concession it holds. The concession fee during the Initial exploration phase is calculated as 2.5% of the Unified Basic Remuneration ('UBR') per hectare. In 2021 the UBR was USD400, which equates to US\$10 per hectare. The UBR is assessed annually and is subject to change. Subsequent to December 31, 2021 the UBR was increased to US\$425 and US\$10.63 per hectare for 2022.
- The Concession holder is also required to make minimum qualifying expenditures on each concession such that they satisfy both the Required Expenditure which is US\$5 per hectare initially, rising to \$10 per hectare per the Mining Law, and the Committed Expenditure, an annual amount that the concession holder files with the Mining Ministry that it is planning to spend in the coming year. Importantly, the annual concession fees are included in the calculation of the minimum expenditures required.
- The concession fees paid, potential future fee obligations and expenditure commitments are set out below.

Initial Exploration Phase				
Year	Annual concession fee	Expenditure Required (USD)	Committed Expenditure	Actual Expenditure (USD)
1 (2017)	\$1,973,198 ¹	\$1,038,820 ²	\$1,060,000 ²	\$3,354,497
2 (2018)	2,004,923 ¹	2,077,640 ²	1,090,000 ²	4,396,820
3 (2019)	2,046,475 ¹	2,077,640 ²	2,098,000 ²	5,116,155
4 (2020)	2,077,640 ¹	2,077,640 ²	2,081,800 ²	8,627,136
5 (2021)	2,077,640 ¹	2,077,640 ²	2,081,800 ²	12,820,134
Estimated 6 (2022)	2,207,492 ¹	2,077,640 ²	. ⁶	- ³
Estimated 7 (2023)	1,945,851 ⁴	2,077,640 ⁵	. ⁶	- ³
Estimated 8 (2024)	525,937 ⁴	2,077,640 ⁵	. ⁶	- ³

¹ Paid

² Requirement satisfied.

³ Reported by March 31 of the following year.

⁴ The Initial Exploration fee obligation for years 2023 and 2024 are estimates only and assume that all of the concessions will be held until their Initial Exploration expiry date and that the UBR remains at USD425. The Company is continuously evaluating the concessions and will not renew those of lower geological interest and therefore amounts to be paid and spent will reduce accordingly.

⁵ 2022, 2023 and 2024 amounts are estimated maximum Required Expenditures that assumes the current number of concessions are maintained and a continuing fee of USD10.63 per hectare

⁶ For 2022, 2023 and 2024 the Committed Expenditure are not known at this time as they are derived from annual work programs not yet determined.

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS, continued

ECUADOR, continued

a) Mineral concessions and obligations, continued

- **Advanced Exploration (up to four years).** At any time prior to 60 days before the expiry of the Initial Exploration period, a concession holder can apply for a further four years of Advanced Exploration. The size of each concession must be reduced by a minimum of 10 hectares and the annual concession fee, still payable by March 31 each year, doubles to 5% of the UBR. For 2021 this would equate to USD\$20 per hectare, rising to US\$21.25 per hectare for 2022

In cases where an application to move a concession to Advanced Exploration occurs after the Initial exploration concession fee is paid prior to March 31 of that year, the concession holder must pay the incremental difference in the concession fee between the date on which the resolution to start the advanced exploration period is issued until December 31 of that year.

At this time the Company does not know which and how many of its concessions will be advanced to the Advanced Exploration phase and therefore the total potential concession fee Exploration and expenditure obligations for concessions that advance to Advanced exploration cannot be known.

- **Economic Evaluation** (up to two years) of any deposit identified, which can be extended for an additional two-year period; and
- thereafter, the concessions are in the **Exploitation Phase**.

b) Relinquishment or cancellation of concessions

The size of the concession area constituting the Project may be reduced at the Company's discretion, based on exploration results. Conversely, mineral concessions can be cancelled by the State, for various reasons including, misrepresentation by the concession-holder of the stage of the concessions' exploration and development, by causing an excessive environmental impact, irreparable damage to Ecuadorian cultural heritage, or by the violation of human rights. **See note 11 – Exploration expenses.**

c) Exploration entitlements

The properties are subject to two percent (2%) net smelter return royalty on metal production and a two percent (2%) net sales return royalty on non-metallic products, held by Dr. Keith Barron, vendor and current Chairman, CEO, President, and largest shareholder of the Company.

PERU

Mineral concessions in Peru

At year ended December 31, 2021, the Company's land position in Peru consists of a total of 280 concession applications and concession titles covering 275,676Ha.

- The applications are progressing through a process that includes verification that the applications do not cover existing concessions or ecologically fragile areas and the publication of the INGEMMET-vetted applications in the local press in the province in which the concession.

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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4. MINERAL PROPERTY INTERESTS, continued

PERU, continued

Mineral concessions in Peru, continued

applications lie.

- An annual concession fee of US\$3.00 per hectare is required to be paid by the end of June to keep the concessions in good standing.
- At this time, the Company has no current plans to incur further expenditures on the project in Peru, and is considering alternatives to further this project, including potential joint venture opportunities.

5. PROPERTY & EQUIPMENT

	Leasehold Improvements	Field Equipment	Furniture and Fixtures	Computer Equipment	Total
COST					
At December 31, 2021	27,545	135,614	8,399	186,805	358,363
Additions	-	-	-	(668)	(668)
At March 31, 2022	27,545	135,614	8,399	186,137	357,695
ACCUMULATED DEPRECIATION					
At December 31, 2021	(9,218)	(69,028)	(2,491)	(92,763)	(173,500)
Additions	(519)	(5,441)	(190)	(9,251)	(15,401)
At March 31, 2022	(9,737)	(74,469)	(2,681)	(102,014)	(188,901)
NET BOOK VALUE					
At December 31, 2021	18,327	66,586	5,908	94,042	184,863
At March 31, 2022	\$17,808	\$61,145	\$5,718	\$84,123	\$168,794

6. PROMISSORY NOTES

Promissory note 2017 - Mineral Concessions Loan ("MCL1")

For the three months ended MARCH 31, 2022 and the year ended DECEMBER 31, 2021	2022	2021
Balance, beginning of period	\$511,689	\$567,102
Interest rate benefit recognized as shareholder contribution	(16,157)	(131,698)
Accretion expense	18,642	73,803
Foreign exchange translation (loss) gain	(12,136)	2,482
Balance, end of period	\$502,038	\$511,689

On March 20, 2017, Dr. Barron, advanced USD 2,000,000 by way of a promissory note to the Company. USD 1,000,000 was repaid on May 29, 2021; USD 217,168 (\$280,000) was settled for 700,000 stock options, with an exercise price of \$0.40, on April 2, 2018 and \$500,000 was repaid in cash on August 16, 2018. The loan is unsecured, bearing an interest rate of 2% per annum which is considered to be below a market rate of interest for such a loan. IFRS requires that where an interest rate is below the market rate, estimated at 15%, there is deemed to be a benefit to the Company and as such that portion of the promissory loan considered to represent that benefit is recorded in equity as a shareholder contribution. The amount of the

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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6. PROMISSORY NOTES, continued

Promissory note 2017 - Mineral Concessions Loan ("MCL1"), continued

benefit is then recognized over the life of the promissory note as an accretion expense. On September 30, 2020, Dr. Barron agreed to amend the terms of his promissory note such that it will become repayable on the day following the one-year anniversary of Dr. Keith Barron requesting repayment. The accretion on the promissory note will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender.

Promissory Note issued in April 2019

On April 22, 2019, Dr. Barron, advanced USD 3,000,000 by way of a promissory note to the Company. The loan is unsecured, bearing an interest rate of 2% per annum which is considered to be below a market rate of interest for such a loan. IFRS requires that where an interest rate is below the market rate, estimated at 15%, there is deemed to be a benefit to the Company and as such that portion of the promissory loan considered to represent that benefit is recorded in equity as a shareholder contribution.

On August 20, 2020, Dr. Barron agreed to amend the terms of his promissory note issued in 2019 such that it will become repayable on the day following the one year anniversary of Dr. Keith Barron requesting repayment. The Company has assessed the accounting for the amendment of the terms of the promissory note and concluded that the amendment is a modification. As such, the carrying amount of the liability at its modification date will be amortized over the new term of the promissory note. The accretion on the promissory note will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender. The amount of the benefit is then recognized over the life of the promissory note as an accretion expense.

For the three months ended MARCH 31, 2022 and the year ended DECEMBER 31, 2021	2022	2021
Balance, beginning of period/issuance of promissory note	\$3,532,223	\$3,615,393
Interest rate benefit recognized as shareholder contribution	(111,147)	(608,574)
Accretion expense	128,686	508,195
Foreign exchange translation gain	(83,777)	17,209
Balance, end of period	\$3,465,985	\$3,532,223

Promissory Note issued in March 2022

On March 22, 2022, Dr. Barron, advanced USD1,187,500 by way of a promissory note to the Company. The loan is unsecured, bearing an interest rate of 2% per annum which is considered to be below a market rate of interest for such a loan. IFRS requires that where an interest rate is below the market rate, estimated at 15%, there is deemed to be a benefit to the Company and as such that portion of the promissory loan considered to represent that benefit is recorded in equity as a shareholder contribution. The loan becomes repayable on the day following the one-year anniversary of Dr. Keith Barron requesting repayment. The accretion on the promissory note will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender. The amount of the benefit is then recognized over the life of the promissory note as an accretion expense.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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6. PROMISSORY NOTES, continued

Promissory note 2022 - continued

For the three months ended MARCH 31,	2022
Balance, beginning of period/issuance of promissory note	\$1,339,748
Interest rate benefit recognized as shareholder contribution	(9,240)
Accretion expense	10,914
Foreign exchange translation gain	(23,608)
Balance, end of period	\$1,317,813

7. SHARE CAPITAL

Authorized share capital at March 31, 2022 and December 31, 2021 is 1,000,000,000 common shares with a par value of \$0.00001 per share. All shares issued are fully paid. The number of issued and outstanding common shares at March 31, 2022 is 53,956,328 (December 31, 2021 – 51,959,675). During the three months ended March 31, 2022, the Company completed the following:

(i) Private placement financings

On March 30, 2022 the Company closed its previously announced private placement financing for 1,993,653 units priced at \$0.70 per unit, each unit consisting of one common share and one full warrant, the warrant having an exercise price of \$1.25 per warrant and an expiry date of March 20, 2024. Dr. Keith Barron, Chairman, CEO, President and largest shareholder subscribed for \$400,000 of this offering. The cash paid for regulatory and legal costs was \$67,376. A value of \$754,934 has been assigned to warrants using the Black-Sholes option pricing model using the following assumptions: expected dividend yield 0%, expected volatility of 136%, a risk free rate of 2.27% and an expected life of 2 years. Volatility is based on the historical trading of the Company's shares.

8. STOCK-BASED COMPENSATION

Stock Options

The Company maintains a stock option plan (the "Plan") for the benefit of directors, officers, employees, and consultants. The maximum number of common shares reserved for issuance with respect to the Plan cannot exceed 10% of the issued and outstanding common shares of the Company at the date of grant. Stock options generally vest 1/3 annually.

(i) For the three months period ended March 31, 2022, an aggregate of \$201,146 of stock-based compensation was recorded for the fair value of vested stock options resulting from the grant of stock options in the current period and prior years.

(ii) The following summarizes the stock options activity during the three months ended March 31, 2022:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
Balance - December 31, 2021	3,461,000	\$3.00	\$6,426,095
Stock-based compensation expense	-	-	201,146
Balance – March 31, 2022	3,461,000	\$3.00	\$6,627,241

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

8. STOCK-BASED COMPENSATION, continued

Stock Options, continued

(iii) The following summarizes the stock options outstanding at March 31, 2022:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
150,000	150,000	\$2.30	May 26, 2022	256,242
200,000	200,000	\$2.00	November 2, 2022	205,625
250,000	250,000	\$2.89	March 2, 2023	541,934
116,000	116,000	\$2.68	April 5, 2023	233,047
180,000	180,000	\$3.40	January 16, 2024	457,200
48,000	48,000	\$3.40	January 16, 2024	121,920
77,000	77,000	\$2.97	January 16, 2024	170,940
880,000	880,000	\$2.70	October 24, 2024	1,746,626
300,000	300,000	\$3.16	February 7, 2025	700,009
920,000	613,328	\$3.51	November 17, 2025	1,625,534
100,000	66,667	\$3.25	December 22, 2025	182,500
200,000	133,333	\$3.21	January 25, 2026	326,024
40,000	30,000	\$2.52	July 1, 2026	59,640
3,461,000	3,044,328			\$6,627,241

The weighted average contractual life remaining for stock options as at March 31, 2022 is 2.55 years (December 2021 – 2.80 years) and the weighted average grant date fair value is \$2.55 (December 31, 2021 - \$1.97).

Restricted Stock Units (“RSUs”)

RSUs are granted to encourage employee performance and retention. The RSUs are awarded based on performance criteria and vest over three years in equal instalments. For each RSU that vests a common share in the company is issued. The following summarizes the RSU activity during the three months ended March 31, 2022:

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2021	235,200	\$3.32	\$291,088
Cancelled	(47,500)	3.29	(60,958)
Stock-based compensation expense	-	-	90,633
Balance – March 31, 2022	187,700	\$3.33	\$320,764

The weighted average contractual life remaining for RSUs at March 31, 2022 is 2.13 years (December 31, 2021 – 1.73 years). The RSUs were not included in the computation of diluted net loss per share for the periods presented as they are anti-dilutive.

AURANIA RESOURCES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2022

*(Expressed in Canadian Dollars)***8. STOCK-BASED COMPENSATION, continued****Shares to be issued**

	Number of Shares to be Issued	Estimated Fair Value
Balance – December 31, 2021	246,700	\$732,054
Balance – March 31, 2022	246,700	\$732,054

Shares to be Issued are Restricted Share Units (“RSUs”) that have fully vested but where the related shares are yet to be issued.

9. WARRANTS

The following summarizes the warrants and Agents’ warrants activity and outstanding warrants and Agents’ warrants for the three months ended March 31, 2022:

	Number of Warrants/ Agents’ Options	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2021	10,926,618	\$3.44	\$7,252,555
Issued warrants private placement	1,996,653	\$1.25	724,822
Expired	(1,043,567)	(\$3.00)	(585,000)
Balance – March 31, 2022	11,879,704	\$2.94	\$7,392,377

Outstanding warrants

Expiry date	Number of Warrants	Exercise Price
October 29, 2022	1,339,750	\$5.20
October 29, 2022	160,770	\$4.30
April 1, 2024	2,507,000	\$4.25
April 1, 2024	150,420	\$4.25
April 1, 2024	403,709	\$4.25
October 21, 2026	3,835,250	\$2.20
October 21, 2026	230,115	\$2.20
October 21, 2026	1,256,037	\$2.20
March 28, 2024	1,586,653	\$1.25
March 30, 2024	410,000	\$1.25
Balance – March 31, 2022	11,879,704	

1,043,567 warrants with an exercise price of \$3.00 and a fair value of \$585,000 expired on March 13, 2022.

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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(Expressed in Canadian Dollars)

10. KEY MANAGEMENT COMPENSATION 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 Management and directors of the Company was:

For the three months ended March 31,	2022	2021
Management fees corporate ⁽¹⁾	\$432,462	\$84,485
Management fees – technical ⁽¹⁾	68,157	99,250
Director and advisor fees ⁽²⁾	15,000	18,750
Stock-based compensation for key management and directors ⁽³⁾	174,237	304,854
Total key management compensation expense	\$689,856	\$507,339

⁽¹⁾ Salary - corporate includes 100% CFO fees, 100% of the President's compensation and termination payment. Salary - technical includes 100% of the compensation paid to the Vice President, Exploration.

⁽²⁾ Director's fees are \$15,000 per annum, per director or \$3,750 per quarter.

⁽³⁾ This figure is the estimated fair value expense of vested stock options and RSUs granted to key management and directors during the three months ended March 31, 2022 and 2021.

11. EXPLORATION EXPENSE

For the three months ended March 31,	2022	2021
ECUADOR		
Geology and field operations:		
- Employee cost	\$432,125	\$697,108
- Camp costs, equipment, supplies	175,714	370,680
- Project management (note 10)	51,282	52,412
- Travel, accommodation	34,812	88,492
- Administration	14,769	29,555
- Environment, health & safety	87,797	137,724
- Water	16,305	33,693
- Drilling	-	679,075
Geochemistry	51,174	54,583
Geophysics	-	941,306
Other technical studies	-	6,083
Expert consultants	40,026	40,589
Corporate social responsibility	110,499	197,767
Concession maintenance - legal	10,946	14,335
Concession maintenance – annual fees	2,776,966	2,613,615
	3,802,415	5,957,017
PERU		
Geology and field operations:		
- Travel, accommodation	6,505	-
- Technical Consulting	1,292	34,704
Concession maintenance - legal	14,584	33,104
Cost related to concession fees applications	1,673	112,456
Concession fees	-	-
	24,054	180,264
TOTAL EXPLORATION EXPENSE	\$3,826,469	\$6,137,281

AURANIA RESOURCES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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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 during the three months ended March 31, 2022 and 2021:

- (i) During the three months ended March 31, 2022, the Company incurred \$36,000 (2021 - \$36,000) of administrative service costs including office, rent and general office services, to Big Silver Ltd. a company owned and controlled by the Chairman, CEO and principal shareholder.
- (ii) Certain Company employees undertake work for other companies with officers and directors in common and recharge those companies with the direct cost of the work done. The amounts receivable are unsecured, non-interest bearing and have no fixed terms of repayment. During the three months ended March 31, 2022;
 - a. \$21,377 (2021-\$19,269) was recharged to U308 Corp. whose President, CEO and Director, Dr. Richard Spencer was also Aurania's President and Director, until his departure in January 2022, and Dr. Keith Barron, Director, Chairman and CEO of Aurania is also Chairman and Director of U308 Corp. On March 31, 2022 \$21,377 remained receivable.
 - b. \$1,805 (2021-\$10,584) was recharged to Firestone Ventures Inc. Dr. Keith Barron, Chairman and CEO of the Company, is also President, CEO and Director of Firestone Ventures Inc. Dr. Richard Spencer, President and director of Aurania, until his departure in January 2022, also serves on the board of directors of Firestone Ventures Inc. On March 31, 2022 \$1,805 remained receivable, and
 - c. \$281 (2021-\$2,630) was recharged to the Step Forward Foundation, a private charitable organization whose founder and Director Dr. Keith Barron, is also the Chairman and CEO of the Company. On March 31, 2022, \$281 remained receivable. This amount is unsecured, non-interest bearing and due on demand.
- (iii) For other related party transactions, see notes 6 and 10 of the unaudited condensed consolidated interim financial statements for the three months ending March 31, 2022.

13. SEGMENTED INFORMATION

At March 31, 2022, the Company's operations comprised one business segment engaged in mineral exploration and three operating segments – Ecuador, Switzerland, and Peru. Cash of \$1,816,729 (December 31, 2021 - \$4,077,720) is held in a Canadian chartered bank, \$138,668 (December 31, 2021 - \$433,689) being held in a chartered bank in Ecuador, \$1,697 (December 31, 2021 - \$2,083) being held in a chartered bank in Switzerland and the balance of \$1,153 (December 31, 2021 - \$9,490) being held in a chartered bank in Peru.

14. 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

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14. COMMITMENTS AND CONTINGENCIES, continued

and general office services. The terms include a monthly fee of \$12,000 and can be terminated by either party with 180 days' notice.

The Company is party to certain management contracts. At the year-end these contracts contain minimum commitments of approximately \$777,000 and additional contingent payments of up to approximately \$760,000 upon the occurrence of a change of control. Where a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

On July 9, 2021, the Company announced that it has retained Alpha Bronze, LLC. ("Alpha Bronze") to provide certain investor relations services. Under the terms of the agreement, the Company will pay Alpha Bronze a monthly fee of US\$5,500 for a period of 12 months and grant Alpha Bronze 40,000 stock options with a term of five years, and an exercise price of \$2.52.

On August 26, 2021, the Company entered into a twelve-month public relations consulting agreement for services in Ecuador. Pursuant to the agreement the consultant is paid USD5,500 a month.

15. SUBSEQUENT EVENTS

There were no subsequent events.