AURANIA

AURANIA RESOURCES LTD.

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

For the Year Ended December 31, 2022

(Expressed in Canadian Dollars unless otherwise indicated)

INTRODUCTION

Aurania Resources Ltd. ("Aurania" or the "Company") is a publicly traded junior mining exploration company engaged in the identification, evaluation, acquisition, and exploration of mineral property interests, with a focus on precious metals and copper in South America. Aurania's principal asset is a 100% holding of the Lost Cities – Cutucu project ("Lost Cities Project") that covers approximately 208,000 hectares ("Ha") in southeastern Ecuador. The Company has also applied for mineral concessions in adjacent northern Peru ("Peru Project", and together with the Lost Cities Project, the "Projects") and these applications are progressing through the lengthy review process that precedes the granting of the mineral concessions. This Management's Discussion and Analysis ("MD&A") is a review of the financial condition and results of operations by the management ("Management") of Aurania for the year ended December 31, 2022 (the "Reporting Period"). This MD&A is prepared as at April 25, 2023, unless otherwise indicated, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 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.

CAUTIONARY NOTE

This MD&A contains "forward-looking information" under applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of Management, considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company's expectations related with exploration concepts on its projects, potential development and expansion plans on the Company's projects, the impact of general business and economic conditions, global liquidity, inflation, inability to raise additional funds as may be required through debt or equity markets, fluctuating metal prices (such as gold, silver and copper), currency exchange rates (such as the Canadian Dollar ("$") and Swiss Franc ("CHF") and the United States Dollar ("USD") and Peruvian Sol ("SOL")), 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 has 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 assist investors in understanding the Company's expected financial and operational performance and results as at, and for the periods ended on, the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

1. 2022 HIGHLIGHTS

As of the date of this MD&A, the concessions for the Company's mineral properties in Ecuador are fully renewed and in good standing for another year after payment of all concession fees in March 2023. The Company is able to develop the 2023 exploration programs consistent with the strategies defined in the "February 2022 Review" described below.

Over the next six months, it is intended to finish the Anaconda mapping on Awacha and bring it to drill readiness. At the same time, Tatasham will be re-examined in the belief that the antimony anomaly in soils may be due to a subcropping mineralized system. The Fruta del Norte gold deposit was discovered by drilling a geochemical anomaly of antimony, arsenic and mercury, which had virtually no gold on surface. The Company is currently investigating the feasibility of conducting an Induced Polarization (IP) geophysical survey at Tatasham and Awacha.

The proposed exploration programmes are dependent on raising further funding. Different funding sources are being considered, including equity issuances, short-term loans and stock options and joint venture partnerships. In this regard, during our attendance at the Prospector's and Developer's Association of Canada meeting (PDAC) in Toronto the first week of March, we found interest from several Major companies in our Ecuador asset, and there are now several companies in Aurania's data room. The primary interest has been in our porphyry copper and sediment-hosted copper-silver prospects.

1.1. Exploration - Lost Cities Project, Ecuador

1.1.1 Operational strategy

(a) Change in leadership
In January 2022, Dr. Keith Barron, Chairman, CEO and largest shareholder assumed the title of President of the Company after the departure of Dr. Richard Spencer, former President and Director of the Company.
On July 5, 2022, the Company appointed Mr. Thomas Ullrich to the board of directors.
In July, Mr. Francisco Freyre was appointed as Chief Financial Officer (CFO) after the departure of Mr. Tony Wood

(b) Review of operational strategy and priority areas
On February 28, 2022, the Company announced the Board approval of a revised corporate strategy focusing its financial and human resources on the exploration of Aurania's core mineral concessions in Ecuador after an internal review of its projects, target types and potential funding strategies (the "February 2022 Review").

The strategy concentrates Aurania's resources on the epithermal gold and porphyry copper exploration at the Company's Lost Cities – Cutucú Project in Ecuador while exploring joint ventures and partnerships in respect of advancing concessions, as discussed further below.

The Company's mineral concessions are to be maintained. The required concession fee payments were made in March 2022 and, further to year end close, payment for 2023 rights has been made.

The February 2022 Review refined the categorization of the large number of targets into three distinct target areas:

- epithermal gold target area;
- porphyry copper target area; and
- sediment-hosted copper-silver/silver-zinc target area

Each target area is defined by separately identifiable mineral concessions. The next stage of exploration of each of these areas will require increasingly more field exploration and, in particular, increased drilling. The Company does not currently have the resources to do all of this work simultaneously and has determined that a strategy based on exploration through joint ventures would maximize the potential value of the full land package in Ecuador and to advance the target types on multiple fronts.

The February 2022 Review identified the Awacha porphyry copper target and the Kuri-Yawi and Kuripan epithermal gold targets as having the highest priority in the short term. Since then, the Tatasham target has also moved up the target priority list for further exploration and target refinement.

(c) Intrusive-related copper targets

Awacha: The target area comprises a cluster of geophysical anomalies representing porphyry targets located in an area approximately 9 km x 6 km in size. Mobile Magnetotellurics ("MobileMT") geophysics has indicated a buried conductive body in excess of 4 km x 5 km in size. The anomaly has the "classic doughnut" shape of a porphyry body. The conductive anomaly coincides with copper and molybdenum stream sediment anomalies and with quartz-sericite-pyrite ("QSP") alteration exposed in stream beds from field work reported in 2018. This is classic "phyllic" alteration seen in porphyry systems.

Tatasham: The Tatasham target is the largest magnetic target identified in the 2017 heliborne geophysical survey. The Magnetic airborne survey and MobileMT show a strong, high magnetic anomaly bordered by a zone of high conductivity. During Q3, an Anaconda mapping method was conducted in the area defined by Steve Garwin, an expert in Porphyry system, and Aurania's geology team according to soil geochemistry and geophysics to define drill targets.

Kuri-Yawi: The deeper parts of holes YW-008 and YW-009 were designed to test a porphyry target at depth in the B1 area of Kuri-Yawi as described below. 2D MobileMT geophysics defined two other porphyry-style targets within the Kuri-Yawi area (Kuri-Yawi F and E), and these are being further evaluated for scout drilling. Target E consists of pathfinder element enrichment over a magnetic feature and target F lies in an area of quartz-sericite-pyrite ("QSP") mineral alteration, pathfinder enrichment in soil and intrusive phases in outcrop.

(d) Epithermal targets for gold-silver

Tatasham: Three holes were drilled between the fourth quarter of 2022 and the first quarter of 2023. The Tatasham target was considered only a porphyry target before the initial drilling. Nevertheless, the discovery of a breccia including clast of sinters and a sinter boulder 1,300m further to the south, led us to requalify the area as having both epithermal and porphyry targets. The three holes were drilled for a total of 1,664.64m including 765.75m in 2022. Holes TT-001 and TT-002 have crossed a zone of intense silicification associated with fault and breccia. It is believed to be the distal part of an epithermal system.

Kuri-Yawi B1: In 2021 and 2020, 9 holes were drilled for 4,957m on a target area largely identified through MobileMT. The geophysics highlighted a possible epithermal target above a deeper porphyry-like target. The drill holes intersected epithermal-type vein textures over a vertical interval of approximately 800m although no significant mineralization was detected. No porphyry body was detected at depth. Geological information obtained from these drill holes was used to constrain further iteration of the geophysical model through 3D inversion. No field work was conducted at Kuri-Yawi in 2022.

Kuripan: A soil grid has shown two main areas with enrichment of epithermal pathfinders, arsenic and selenium, with erratic gold values in the northern part of the target area. Sinter is exposed in the southern part of the target area. Visible gold is present in some of the stream of the area. No field work was conducted in 2022.

Latorre C: Sinter material previously identified defines probable upwelling zones that typically lie at the core of epithermal systems. One of these zones has associated gold in soil. MobileMT data shows the presence of a conductor at depth within the Latorre C target area. No field work was conducted in 2022.

(e) Regional exploration

During the second quarter of 2022, the southern concessions were reviewed for gold occurrences by field geologists and the observations were compared with Metron Inc.'s interpretation, confirming the probability of the location of the lost city of Logrono to the south downstream but outside the Company's property. No regional field work was done during the second half of the year.

(f) Adding geological depth and specialist experience

In 2022, Steve Garwin, an expert in Porphyry system and Cristian Vallejo, a sedimentologist specialist of the Cuenca Oriente of Ecuador, were hired as consultants to help Aurania's team in processing the data. Exploration focused on Tatasham and Awacha targets with development in the field of a new mapping technique and the first drilling at Tatasham. Review of the core from previous drilling at the Tsenken and Shimpia targets was conducted.

(g) Sediment-hosted targets

No additional field work was conducted on sediment-hosted targets during 2022. Nevertheless, a stratigraphic study was conducted in order to increase the understanding of the targets and advance ongoing joint venture discussions. Dr. C. Vallejo started reviewing the data and the drill cores of the Tiria-Shimpia Target during the second part of the third quarter of 2022. The study was completed during 2022 Q4 and a final report was produced early 2023 with the development of a new deposit model that increased the potential of the area and reoriented future exploration.

1.1.2 Mineral Property Interests

The Company made its annual concession fee payment of USD2,207,493 ($2,776,966) in March 2022, and thereby met a key requirement for maintaining the concession block in good standing. The requirements to maintain the concessions in good standing are detailed in the Financial Statements for the year ended December 31, 2022. Subsequent to year-end, the Company has made the payment corresponding to the 2023 concession fee.

1.1.3 Corporate Social Responsibility ("CSR")

The Company's CSR team continues to be our first point of contact with local communities, the majority of which are indigenous. The Company currently has social license to operate in 55 communities located within the Lost Cities Project area. The CSR team has worked in conjunction with the Step Forward Foundation and local residents to install clean water systems in nine communities, building three school libraries, handed over school supplies and supported deworming campaigns. In this alliance, the Company is currently delivering a six-month micro-business program to 100 women from five communities to improve the economy of their families and communities.

1.1.4 Health & Safety

There were no reportable accidents in the field during the year.

1.1.5 COVID-19 Response

During the first months of 2022, Ecuador experienced an increase in the number of cases nationwide believed to be due largely to the much more transmissible Omicron variant, and on January 16th a "Red Alert" was issued by the Ecuador Government for 193 of 195 Cantons, and a return to increased restrictions. The Company's incidence rate rose quickly to 12 cases and the Company took the decision to temporarily suspend the majority of its field activities and to carefully monitor the situation in order to protect our employees and the local communities in which we operate, the later having a nationally low percentage of population vaccination. During the following months, the incidence of infection decreased, and restrictions reduced, allowing the return to operation of all employees.

1.1.6 Environment & Water

Monitoring of water quality upstream and downstream of offtake points for drilling and exploration camps is on-going and up to date and no issues have been detected. Three temporary drill camps have been constructed.

1.2 Exploration Project, Peru

1.2.1 Mineral Property Interests

The Company retained its interest in 130 concessions covering 127,876Ha in northern Peru. Further detail is provided in sub-section 3.7.2.

1.2.2 Exploration - Data Compilation

An initial geological reconnaissance visit was conducted during the third quarter in selected concessions and confirmed the presence of favorable geology for the presence of sediment-hosted copper deposits.

1.2.3 COVID-19 Response

Part-time contract personnel in Lima, Peru, are working remotely. None of the exploration work in Peru yet requires access to the field, so the impact of COVID-19 protocols on operations is minimal.

1.3 Funding

1.3.1 Related party loan

During the year, the Company entered into loans with Dr. Keith Barron, the Company's Chairman, CEO and largest shareholder pursuant to promissory notes issued by the Company to the Lender, as set out below. In accordance with the terms and conditions of the promissory notes, the loans are due and payable and shall be repaid in full upon notice of twelve months and one day from the lender to the Company, where upon all unpaid principal and accrued interest there under shall be payable to the Lender. The Loan is unsecured and bears interest at a rate of two percent (2%) per annum. Further details are provided in Note 9 of the consolidated financial statements for the year 2022 and Section 7 – Indebtedness in this document.

- Promissory note issued during the first quarter of 2022 of USD1,187,500 ($1,510,500).
- Promissory note issued during the second quarter of 2022 of $1,000,000.
- Promissory note issued during the third quarter of 2022 of $1,000,000.

1.3.2 Private placement financing

On March 30, 2022 the Company closed a private placement financing for 1,996,653 units priced at $0.70 per unit for gross proceeds of $1,397,657. Each unit consisting of one common share and one full warrant, the warrant having an exercise price of $1.25 per warrant and expiration after 24 months of issuance. The private placement was made in two tranches, the first tranche closed on March 28, 2022 and the second tranche closed on March 30, 2022. 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 $75,033. A value of $234,374 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

On December 22, 2022 the Company closed a private placement financing for 4,244,598 units priced at $0.45 per unit for gross proceeds of $1,910,069. Each unit consisting of one common share and one full warrant, the warrant having an exercise price of $0.75 per warrant expiring 24 months after issuance. The private placement was made on two tranches, closed on November 29, 2022 and December 22, 2022. In connection with the offering, the Company paid commissions to certain finders of an aggregate of $905 in cash and 2,010 finder warrants. Each finder warrant is exercisable into a unit at the exercise price of $0.45 per unit until November 29, 2024. Dr. Keith Barron, Chairman, CEO, President and largest shareholder subscribed for $500,000 of this offering. The cash paid for regulatory and legal costs was $30,385. A value of $491,345 has been assigned to warrants using the Black-Sholes option pricing model using the following assumptions: expected dividend yield 0%, expected volatility of 86%, a risk-free rate of 3.15% and an expected life of 2 years. Volatility is based on the historical trading of the Company's shares.

Subsequent to year end, on March 13, 2023, the Company announced its intention to complete a non-brokered private placement financing of up to 10,869,565 units of the Company at a price of $0.46 per unit for total gross proceeds to the Company of up to $5,000,000. Refer to Section 17 – Subsequent Events for updated information.

2. SELECTED ANNUAL INFORMATION

Table 1: Selected annual information

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Cash	**$1,473,768**	$4,522,657	$8,178,956
Total assets	**2,353,500**	4,953,485	9,109,624
Total liabilities	**9,385,756**	5,263,276	5,650,612
Shareholders' equity (surplus)	**(7,032,256)**	(309,791)	3,459,012
Accumulated deficit	**$(91,520,949)**	$(82,884,639)	$(60,463,012)

The change in the accumulated deficit is discussed in detail in Section 4 – Consolidated loss and comprehensive loss for the years ended December 31, 2022 and 2021.

3. DISCUSSION OF OPERATIONS

3.1 Exploration expenditures by target type

Table 2: Accumulated project expenses by target type.

Exploration Category	Budgeted project expenditures									Actual expenditures							
	December 2019 Technical Report	Use of Proceeds ("UoP") Oct 2020 Offering [3]	UoP April 2021 Public offering/Private placement[3]	UoP Oct 2021 Public offering[3,6]	UoP Mar 2022 Private Placement and Promissory Note	UoP Jun 2022 Promissory Note	UoP Aug 2022 Promissory Note	UoP Dec 2022 Private Placement	**Budgeted Cumulative Total**	Year ended December 31, 2020	Year ended December 31, 2021[4,6]	**9 months ending September 30, 2022**	**3 months ending December 31, 2022**	**12 months ending December 31, 2022**	**Actual Cumulative Total**	**Differences**	**Discussion[5]**
Ecuador																	
Regional / Reconnaissance Exploration	$600,000	$390,000	$476,591	$ -	$ -	$595,000	$1,000,000	$ -	**$3,061,591**	$980,499	$1,321,403	$391,468	**$43,868**	**$435,336**	**$2,737,238**	$324,353	Refer to 3.2.1
Target Development																	
Epithermal Gold-Silver	2,530,000	1,970,000	1,911,073	356,820	-	-	-	-	**6,767,893**	1,772,760	2,651,317	217,817	**$44,868**	**262,684**	**4,686,762**	2,081,131	Refer to 3.2.2
Sediment-Hosted Copper-Silver	1,200,000	887,000	251,437	320,000	-	-	-	-	**2,658,437**	805,288	3,938,259	178,822	**$46,135**	**224,957**	**4,968,504**	(2,310,067)	Refer to 3.2.4
Intrusive-Related Copper	1,000,000	2,164,000	115,780	350,000	-	-	-	1,879,685	**5,509,465**	4,223,749	2,286,037	715,834	**$941,016**	**1,656,850**	**8,166,636**	(2,657,171)	Refer to 3.2.3
Carbonate-Hosted Silver-Zinc-Lead	170,000	759,000	1,393,592	250,000	-	-	-	-	**2,572,592**	670,043	1,481,529	144,565	**$44,504**	**189,069**	**2,340,641**	231,951	Refer to 3.2.4
Community Social Responsibility	250,000	350,000	526,098	390,000	-	-	-	-	**1,516,098**	906,800	847,972	299,142	**$120,023**	**419,165**	**2,173,937**	(657,839)	Refer to 3.4
Environmental, Health and Safety	-	-	292,968	225,000	-	-	-	-	**517,968**	-	993,475	187,612	**$68,936**	**256,548**	**1,250,023**	(732,055)	Refer to 3.5 and 3.6
Concessions [1]	2,800,000	2,800,000	53,100	1,470,000	1,400,000	-	-	-	**8,523,100**	2,785,907	2,613,615	2,776,966	-	**2,776,966**	**8,176,488**	346,612	Refer to 3.7.1
Peru									**-**								
Concession and legal fees [2]	-	-	327,156	-	-	405,000	-	-	**732,156**	219,314	1,281,174	543,607	**$46,850**	**590,457**	**2,090,944**	(1,358,788)	Refer to 3.7.2
Desktop studies	-	50,000	134,823	-	-	-	-	-	**184,823**	68,759	(29,990)	-	-	**-**	**38,769**	146,054	
Working capital	-	-	-	-	1,440,781	-	-	-	**1,440,781**	-	-	-	-	**-**	**-**	1,440,781	
Total	**$8,550,000**	**$9,370,000**	**$5,482,618**	**$3,361,820**	**$2,840,781**	**$1,000,000**	**$1,000,000**	**$1,879,685**	**$ 33,484,904**	**$12,433,119**	**$17,384,792**	**$ 5,455,832**	**$ 1,356,199**	**$ 6,812,031**	**$ 36,629,942**	**$(3,145,038)**	

[1] The 2019 Technical Report excluded a line item for concession fees

[2] USD352,925 of the concession payments made in June 2021 and fourth quarter of 2022 were satisfied by credit certificates from rejected property interest

[3] Expenditures incurred have been largely consistent with the proposed use of proceeds with any variations discussed in the respective section.

[4] Certain costs included in Regional Exploration and Target Definintion in the first and second quarters has been reclassified to Environment, Health and Safety.

[5] See 1.1.1 (b) Review of operational strategy and priority areas.

[6] Further detail is disclosed in the fourth quarter 2021 consistent with the use of proceeds detail in the October 2021 Prospectus.

3.2 Exploration of the Lost Cities Project, Ecuador

3.2.1 Reconnaissance Exploration

During the second quarter of 2022, the southern concessions were reviewed for gold occurrences by field geologists and the observations were compared with Metron Inc.'s interpretation, confirming the probability of the location of the lost city of Logrono to the south downstream, but outside the Company's property. Stream sediment sampling had been completed over 66% of the Lost Cities Project by the end of 2022.

Target development

Table 3: Summary of priority areas for each target type in the Lost Cities Project.

Target Type	Target	Planned	Status
Epithermal Gold-Silver	Kuri-Yawi B1	Further exploration to refine epithermal system drill targets	See sub-section 3.2.2 (b)
	Kuripan		See sub-section 3.2.2 (c)
Intrusive-Related Copper	Tatasham	Requalified to epithermal and porphyry targets after drilling	Prioritized for 2022 / 3.2.2 (a) and 3.2.3 (a)
	Awacha	Further exploration to refine porphyry-style drill targets	Prioritized for 2022 / 3.2.3 (b)

3.2.2 Epithermal Targets for Gold-Silver

(a) Tatasham

The Tatasham target was considered only a porphyry target before the initial drilling that commenced in late 2022. Nevertheless, the discovery of a breccia including clast of sinters above hole TT-001 and a sinter boulder 1,300m further to the south led us to requalify the area as having both epithermal and porphyry targets. Three holes were drilled between the fourth quarter of 2022 and the first quarter of 2023, for a total of 1,664.64m including 765.75m in 2022. Holes TT-001 and TT-002 have crossed a zone of intense silicification associated with fault and breccia. It is believed to be the distal part of an epithermal system. Hole TT-003 crossed a sinter paleosurface with more than 30m thickness above an intense silicified zone with breccias and barite veins.

(b) Kuri-Yawi

During 2021 and 2020, nine scout holes for a total of 4,957 metres were drilled in order to test the soil geochemistry anomalies and one of the geophysics anomalies detected during the MobileMT survey in 2021. The results show intense and pervasive hydrothermal clay mineral alteration (illite with areas of kaolinite) and silica-carbonate veinlets that exhibit epithermal textures which are encouraging features consistent with proximity to an epithermal system. No field work was conducted at Kuri-Yawi in 2022.

(c) Kuripan

A soil grid showed two main areas with enrichment of epithermal pathfinders, arsenic and selenium, with erratic gold values in the northern part of the target area. Sinter is exposed in the southern part of the target area. No field work was conducted in 2022.

(d) Latorre C

Sinter material previously identified defines probable upwelling zones that typically lie at the core of epithermal systems. One of these zones has associated gold in soil. MobileMT data shows the presence of a conductor at depth within the Latorre C target area. This target area is not a priority at this time and no field work was conducted in 2022. Timing for future work is under review.

3.2.3 Intrusive-Related Copper Targets

(a) Tatasham

The Tatasham target is the largest magnetic target identified in the 2017 heliborne geophysical survey. During the third quarter of 2022, an Anaconda mapping method was conducted in the area defined by Steve Garwin and Aurania's geology team according to soil geochemistry and geophysics. The results of the mapping show an area of intense silicification and fracturation along a major N-trending ridge with a central region of elevated goethite / hematite ratios, which is inferred to represent the oxidation of rocks with elevated chalcopyrite / pyrite ratios. This N-S trend coincides with hydrothermal alteration zones revealed by the IR spectrometry (Terraspec) and characterized by the presence of illite.

(b) Awacha

The Awacha target area comprises a cluster of geophysical anomalies representing porphyry targets located in an area approximately 9km x 6km in size. The stream results show anomalies in copper, molybdenum, arsenic and bismuth. Soil results, received at the beginning of 2022, returned a low-grade anomalous copper in soil (> 50 ppm Cu) and rock (> 200 ppm Cu) that extends 7km (north-south) by 1-2km (east-west) through the western part of the prospect. Anaconda mapping started at the end of 2022 and an IR spectrometry (Terraspec) study was conducted at the same time on the rock samples collected in the field. Previous results showed hydrothermal alteration styles that range from chlorite-propylitic to illitic, phyllic (quartz-sericite) and locally potassic (biotite). Different intrusive outcrops from syenite to Monzodiorite and quartz veins locally with chalcopyrite were found during the first phase of the field work at Awacha. During 2022 Q4 and early 2023, an IR spectrometry (Terraspec) study was conducted by ASL laboratory over a selection of 393 soil samples. These samples have shown the presence of pyrophyllite and dickite characteristic of advanced argillic alteration that indicates that the Awacha area corresponds to the upper part of a porphyry system.

(c) Kuri-Yawi

2D MobileMT geophysics defined two porphyry-style targets within the Kuri-Yawi area (Kuri-Yawi F and E). Target E consists of pathfinder element enrichment over a magnetic feature and target F lies in an area of quartz-sericite-pyrite ("QSP") mineral alteration, pathfinder enrichment in soil and intrusive phases in outcrop. No field work was conducted at this target in 2022.

3.2.4 Sediment-hosted Targets

In 2022, no field work was conducted on these targets that were not considered a priority following the February 2022 review. A review of the core and a stratigraphic study was conducted which resulted in the definition of a new deposit model that increased the potential of the area and will reorient any future exploration on these targets.

(a) Tsenken

The stratigraphic study based on the core review was completed during 2022 Q4. The results show a favorable geological environment for the presence of additional sediment-hosted copper-silver occurrences similar to the Kupferschiefer deposits of Poland with the main target being the Hollin formation present to the south part of Tsenken and in Kirus.

(b) Tiria-Shimpia

Review of the core resulted in the recognition of Cretaceous Napo sediments in a dropped-down graben in the centre of the Project. The zinc, silver and lead mineralization occurs in the calcareous section of the Napo formation, which was originally identified as much older Santiago formation. Consequently, there is a strong probability for the presence of new mineralization along the graben faults subscribing the Napo inlier. Management is quite encouraged by this new interpretation.

3.3 Mineral Property Interests and obligations

The Company made its annual concession fee payment of USD2,207,493 ($2,776,966) in March 2022, and thereby met a key requirement for maintaining the concession block in good standing. The requirements to maintain the concessions in good standing are detailed in Note 8 of the consolidated financial statements for the year 2022.

3.4 Corporate Social Responsibility

The Company's CSR team is working closely with communities, 98% of which are Indigenous, within the Lost Cities Project area. The Company's approach is aligned with the Equator Principles and United Nations Declaration on the Rights of Indigenous Peoples. A Stakeholder Engagement Plan incorporates early stakeholder engagement with a social impact analysis and defines opportunities for mutually beneficial partnerships between the communities, the Company, and the Ecuadorian government.

In order to maximize the economic and social benefits of social programs in the communities where the Company has direct influence and to ensure their long term sustainability, the Company has supported with technical resources and logistics Government programs from the ministries of Health, Agriculture, Education and Social Inclusion and Economy in addition to its normal-course interaction with the Ministry of Energy and Non-Renewable Resources (the "MENRR") and Ministry of the Environment, Water and Ecological Transition (the "MEWET"). This has benefited such government agencies as access to these remote communities is challenging, and the relationship Government-Communities has been historically almost inexistent, while the Company has strong ties and recognition within them.

The Company currently has social license to operate in 55 communities located within the Lost Cities Project area. The CSR team has worked in conjunction with the Step Forward Foundation and local residents to install clean water systems in nine communities, building three school libraries, handed over school supplies and supported deworming campaigns. In this alliance, the Company is currently delivering a six-month micro-business program to 100 women from five communities to improve the economy of their families and communities.

3.5 Health and Safety

The Company's COVID-19 response and impact is covered in sub-sections 1.1.5. and 1.2.3.

3.6 Environment & Water

Contaminated water, poor sanitation, and poor hygiene have been identified as the prime risk to the health of people living and working in the Lost Cities Project area; hence the Company is investing in education on basic sanitation and water purification methods in conjunction with the Step Forward Foundation and local residents to install clean water systems in nine communities. In prior years, preliminary assessments of water quality were completed in 53 of the 55 communities within the area of influence of the Lost Cities Project.

The Technical Water Group is in frequent contact with MEWET regarding the processing of water-use permits required for scout drilling. Careful monitoring of water quality upstream and downstream of water offtake points for drilling and camp use is ongoing and no issues have been detected.

3.7 Mineral concessions

3.7.1 Ecuador Project

(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 December 27 and 28, 2016 and the concessions were subsequently registered with 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 effectively conduct work and not, as had previously been the case, the date when the concession is first granted. As a result, the effective date for the start of Initial Exploration is considered on a case-by-case basis with each concession having its own initiation date from which the four-year Initial Exploration term is counted. The administrative documents 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 2022 the UBR was USD425 (2021 USD400), which equates to USD10.63 (2021 USD10.00) per hectare. The UBR is assessed annually and is subject to change. Subsequent to the year end the UBR was increased to USD450 for 2023.
  - The Concession holder is also required to make minimum qualifying expenditures on each concession such that they satisfy both the Required Expenditure which is USD5.00 per hectare during Initial Exploration, rising to $10.00 per hectare thereafter, and the Committed Expenditure, an annual amount that the concession holder files with the Ministry of Energy and Non-Renewable Resources, that it is planning to spend in the subsequent year. Importantly, the annual concession fees are included in the calculation of the minimum expenditure required.
  - The concession fees paid, potential future fee obligations and expenditure commitments are set out below.

Table 4. Summary of expenditure thresholds and commitments related to the Lost Cities Project

Initial Exploration Phase			
Year	**Annual concession fee (USD)**	**Expenditure Required (USD)**	**Actual Expenditure (USD)**
1 (2017)	$1,973,198[1]	$1,038,820[2]	$3,354,497
2 (2018)	2,004,923[1]	2,077,640[2]	4,396,820
3 (2019)	2,046,475[1]	2,077,640[2]	5,116,155
4 (2020)	2,077,640[1]	2,077,640[2]	8,627,136
5 (2021)	2,077,640[1]	2,077,640[2]	12,820,134
6 (2022)	2,207,493[1]	2,077,640[2]	5,364,089
7 (2023)	2,337,345[1]	2,077,640[5]	[3]
Estimated 8 (2024)	[4]	[4]	[3]

[1] Paid

[2] Requirement satisfied.

[3] Reported by March 31 of the following year.

[4] During 2023, the Company will evaluate the concessions and may not renew those of lower geological interest. At this time, the Company does not know the combination of concessions advancing to Advanced Exploration and those to be released, which may result in an increase or decrease in the amounts to be paid.

[5] 2023 amounts are estimated maximum Required Expenditures that assumes the current number of concessions are maintained and a continuing fee of USD10.00 per hectare.

- **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 four years of advanced exploration period will start counting as soon as the concessionaire obtains the environmental license. The size of each concession must be reduced by a minimum of 1 hectare and the annual concession fee, still payable by March 31 each year, doubles to 5% of the UBR. For 2022 this would equate to USD21.26 per hectare, rising to USD22.50 per hectare for 2023.

  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 is unknown. During 2022, the Company applied for Advanced Exploration on eight of its concessions which are in process to be approved by the competent authorities.

- **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.

(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, and largest shareholder of the Company.

3.7.2 Peru Project

The Company holds applications for mineral concessions which once granted become "Titles" to mineral concessions. Whether the application is in progress or has been granted, the Company is required to make an annual concession fee of USD3.00 per hectare.

(a) Obligations related to the concession and concession applications

At year ended December 31, 2022, the Company's land position in Peru consists of a total of 130 concession applications and concession titles covering 127,876.34 hectares, 40 of those are concession applications covering 38,676.34 hectares and 90 concession titles for 89,200 hectares.

- The applications are being verified to avoid those to include existing concessions or ecologically fragile areas. After clearance, will be published in the INGEMMET-vetted applications in the local press in the province in which the concession applications lie.
- An annual concession fee of USD3 per hectare is required to keep the concessions in good standing. The Company has an annual obligation of USD384,405 regarding the Peru project concession payments.
- 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.
- During 2022, the Company received $358,436 (December 31, 2021 - $nil) corresponding to rejected mineral property applications from previous years, resulting in credits that can be applied in the INGEMMET to future applications or concessions fees.

(b) Exploration

Review of geophysical data, principally seismic supported by magnetics and gravity, has revealed a framework of salt diapirism controlled by a fault network that extends through northern Peru. Early work suggests that salt tectonics drove basin brines that are assumed to have contained copper, silver, and potentially lead and zinc, to specific trap-sites. This work has provided the Company with a means of prioritizing concessions for their potential to host significant copper mineralization. During the second half of the year, a selection of field sites was visited by two geologists of Aurania's team in the following concessions: Pluma de Ceniza A-B-C-G-H-I-J; Huata 102-103-109-110-113-114-118-119-120-121-123-124-125; Lapa 2; Gocta 5-6-7-8-10 and El Yeso 1 to 4. Only punctual visits were conducted in each of these concessions and cannot be considered as an exhaustive review. During this field work, no significant copper mineralization was found. Nevertheless, it confirmed the presence of redbed formations similar to the one known in the Cutucu area.

4. CONSOLIDATED LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

At year ended December 31, 2022, the Company incurred a loss of $12,329,074 (2021 - $23,405,779), increasing the accumulated deficit from $82,884,639 at December 31, 2021 to $91,520,949 at December 31, 2022.

Table 5. Expenditures for the years ended December 31, 2022 and 2021.

For the years ended December 31,	2022	2021
Operating Expenses:		
Exploration expenditures	**$6,812,030**	$17,384,792
Stock-based compensation	**1,004,035**	2,451,946
Investor relations	**551,653**	718,194
Office and general	**1,281,690**	1,056,803
Management fees	**746,709**	497,573
Professional and administration fees	**233,836**	368,037
Regulatory and transfer agent fees	**164,820**	206,673
Director and advisor fees	**30,000**	86,250
Amortization	**79,339**	58,017
Total expenses	**$10,904,112**	$22,828,285
Other Expenses/(Income)		
Loss (gain) on foreign exchange	**420,793**	1,813
Interest income	**(13,333)**	(6,144)
Accretion of shareholder contribution	**1,017,502**	581,825
Net loss and comprehensive loss for the year	**$12,329,074**	$23,405,779
Basic and diluted loss per share	**$0.23**	$0.55
Weighted average common shares outstanding – basic and diluted	**53,741,866**	47,138,948

The Company's accounting policy is to expense exploration expenditures and therefore the $6,812,030 million expense in exploration represents the majority (55%) of the total loss. A discussion of the principal expenditure items follows:

Exploration expenditures

Three holes were drilled at the Tatasham target between the fourth quarter of 2022 and the first quarter of 2023 for a total of 1,664.64m. The main costs components of the drilling program are the drill company services and the helicopter used to transport the equipment and people to the specific locations where the three holes were made. Previous experience was capitalized to optimize the usage of the helicopter and prevent additional costs due to waiting times.

Concession fee annual payments and related filings account for a large portion of the exploration expenditures. Payments were completed and made on time as required during March 2022 to ensure the concessions remain in good standing in Ecuador and Peru.

Other exploration costs include the crew, camping and meals, lab analysis, geochemistry and technical consulting, administration, environment, health and safety and CSR supporting the drilling activity among other expenses.

Subsequent to the year-end, the concession fees in Ecuador for 2023 have been paid.

Table 6. Breakdown of exploration expenditures for the years ended December 31, 2022 and 2021.

For the year ended December 31,	2022	2021
ECUADOR		
GEOLOGY/FIELD:		
- Salaries, benefits	**$1,004,209**	$2,872,321
- Camp costs, equipment, supplies	**482,343**	$1,926,429
- Project management	**190,395**	$207,511
- Travel, accommodation	**154,036**	$650,393
- Office (Quito, Macas)	**47,426**	$95,436
- Environment, health & safety	**256,548**	$813,332
- Water	**67,924**	$189,292
- Drilling	**409,335**	$4,191,848
GEOCHEMISTRY	**121,672**	343,642
GEOPHYSICS	**1,900**	1,004,211
EXPERT CONSULTANTS	**146,306**	289,959
OTHER TECHNICAL STUDIES	**102,680**	2,504
CORPORATE SOCIAL RESPONSIBILITY – fees, travel, supplies	**421,306**	847,419
LEGAL AND OTHER FOR CONCESSIONS	**38,528**	85,697
CONCESSION MAINTENANCE - permits	**2,776,966**	2,613,615
Total exploration – Ecuador & Canada	**$6,221,574**	$16,133,609
PERU		
- Costs related to concession fee applications	**$867,422**	$1,055,200
- Credit from previous years rejected application fees	**(358,436)**	-
- Technical Consulting	**30,728**	70,034
- Travel, accommodation	**1,448**	5,048
- Legal	**49,294**	120,902
Total exploration – Peru	**$590,456**	$1,251,184
TOTAL EXPLORATION	**$6,812,030**	$17,384,792

Other Operating Expenditures

The largest single item and increase in Other operating expenses relate to the termination payment made to the President who left the company in January 2022 included in Management Fees. Stock based compensation expense, a non-cash item recording the attributable cost of Stock Options and RSUs issued, was less than the prior year due to less options being granted during the year.

During the third quarter of the year, Toronto's office was moved to a smaller location which will better fit the Company's current requirements at a lower cost. The higher cost of Office and General is due to the moving and set up of the smaller office. All other expenses are consistent or lower compared to the prior year.

Table 7: Cash Flow activities

Cash Flow Activities	**Year ended December 31, 2022**	Year ended December 31, 2021
Operating	**$(9,743,521)**	$(20,022,726)
Financing	**6,694,632**	16,444,757
Investing	**-**	(78,330)
Decrease/(increase) in cash during the period	**$(3,048,889)**	$(3,656,299)

At the year ended December 31, 2022, the Company's cash position decreased approximately by $3.1 million (Table 7). The main cash outflows for the year consist of exploration and corporate expenditures described above in this section and are included as Operating activity in the Cash Flow statement.

5. SUMMARY OF QUARTERLY RESULT

Table 8. Summary of quarterly result.

Quarters Ended	Net revenue	Net Loss	Loss per Share
December 31, 2022	-	$2,435,709	0.04
September 30, 2022	-	1,871,841	0.03
June 30, 2022	-	2,779,579	0.04
March 31, 2022	-	5,241,947	0.10
December 31, 2021	-	3,952,337	0.07
September 30, 2021	-	5,776,122	0.12
June 30, 2021	-	6,099,460	0.14
March 31, 2021	-	7,577,859	0.17

6. LIQUIDITY AND CAPITAL RESOURCES

Capital management

The Company considers the capital that it manages to include share capital, share premium, share to be issued, warrants, contributed surplus, shareholder contribution and accumulated deficit, which at December 31, 2022 was a deficit $7,032,256 (December 31, 2021 – a deficit $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 years ended December 31, 2022 and 2021. 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 December 31, 2022, the Company believes it is compliant with the policies of the TSXV.

Capital raises

During the year ended December 31, 2022, the Company completed the following:

On March 30, 2022 the Company closed a private placement for 1,996,653 units priced at $0.70 per unit for gross proceeds of $1,397,657. Each unit consists of one common share in the capital of the Company and one common share purchase warrant with an exercise price of $1.25 per warrant expiring 24 months after issuance. Refer to subsection – 1.3.2. Private placement financing for more details.

On December 22, 2022 the Company closed a private placement for 4,244,598 units priced at $0.45 per unit for gross proceeds of $1,910,069, each unit consisting of one common share and one full warrant, the warrant having an exercise price of $0.75 per warrant expiring 24 months after issuance. In connection with the offering, the Company paid commissions to certain finders of an aggregate of $904.50 in cash and 2,010 finder warrants. Each finder warrant is exercisable into a unit at the exercise price of $0.45 per unit until November 29, 2024. Refer to subsection – 1.3.2. Private placement financing for more details.

Subsequent to year end, the Company announced its intention to complete a non-brokered private placement financing of up to 10,869,565 units at a price of $0.46 per Unit for total gross proceeds of up to $5,000,000. Refer to Section 17 – Subsequent Events for updated information.

During the year ended December 31, 2021, the Company completed the following:

On April 1, 2021, the Company closed an overnight marketed offering of units of the Company, including exercise in full of the over-allotment option. A total of 2,507,000 Units were sold at a price of $3.10 per Unit for gross proceeds of $7,771,700. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant.

On April 7, 2021, the Company closed a private placement of 403,709 units that were sold at a price of $3.10 per Unit for gross proceeds of $1,251,498. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant.

On October 21, 2021, the Company closed an overnight marketed public offering of units of the Company, including exercise in full of the over-allotment option. A total of 3,835,250 Units were sold at a price of $1.80 per unit for gross proceeds of approximately $6.9 million.

On October 21, 2021, the Company closed a private placement of units of the Company. A total of 1,256,037 units were sold at a price of $1.80 per unit for gross proceeds of approximately $2.26 million. Each unit is comprised of one (1) common share in the capital of the Company and one common share purchase warrant.

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 December 31, 2022, the Company had available cash of $1,473,768 (2021 - $4,522,657) to settle current liabilities of $1,669,411 (2021 - $1,219,364). Also, the Company has a long-term liability of $7,716,345 (2021 - $4,043,912). 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 Section 16 – Commitments and Contingencies, the Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2022:

Table 9. Summary of financial liabilities at December 31, 2022.

In Canadian $ equivalents	Carry amount	Contractual cash flows	January 1 ,2023 to December 31, 2023	Thereafter
Accounts payable and accrued liabilities	**$ 1,612,941**	$ 1,612,941	$ 1,612,941	$ -
Promissory note 2017	**550,947**	631,957	-	631,957
Promissory note 2019	**3,850,516**	4,444,807	-	4,444,807
Promissory note March 2022	**1,393,095**	1,640,517	-	1,640,517
Promissory note June 2022	**861,178**	1,020,000	-	1,020,000
Promissory note July 2022	**858,493**	1,020,000	-	1,020,000
Lease liabilities	**258,586**	292,008	70,449	221,559
Total	**$ 9,385,756**	**$ 10,662,230**	**$ 1,683,390**	**$ 8,978,840**

Funding Outlook

As the Company has no steady source of revenues or cash flow and it is implementing its exploration plan as anticipated, periodic financings are required and it is highly probable that additional financing will be required during the following months 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. Refer to Section 17 – Subsequent Events for updated information.

The Company has been successful in funding its operations, including the payment of the 2022 and 2023 concession fees, and the on-going exploration activities, CSR activities as well as corporate costs in Ecuador, Peru and Canada.

7. INDEBTEDNESS

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

On March 20, 2017, Dr. Barron, a related party of the Company by virtue of the fact that he is the Chairman, the President and Chief Executive Officer, a promoter and a principal shareholder of the Company, advanced USD2,000,000 ($2,671,600) by way of a promissory note to the Company. USD1,000,000 ($1,208,600) was repaid on May 29, 2021; USD217,168 ($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 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.

Table 10. Summary of indebtedness relating to promissory note 2017 at December 31, 2022.

For the years ended December 31,	2022	2021
Balance, beginning of year	**$511,689**	$567,102
Interest rate benefit recognized as shareholder contribution	(71,056)	(131,698)
Accretion expense	77,824	73,803
Foreign exchange translation gain	32,490	2,482
Balance, end of year	**$550,947**	$511,689

Promissory Note issued in April 2019

On April 22, 2019, Dr. Barron advanced USD3,000,000 ($4,005,900) 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.

Table 11. Summary of indebtedness relating to promissory note issued in April 2019 at December 31, 2022.

For the years ended December 31,	2022	2021
Balance, beginning of year	**$3,532,223**	$3,615,393
Interest rate benefit recognized as shareholder contribution	**(467,424)**	(608,574)
Accretion expense	**547,751**	508,195
Foreign exchange translation gain	**237,966**	17,209
Balance, end of year	**$3,850,516**	$3,532,223

Promissory Note issued in March 2022

On March 22, 2022, Dr. Barron advanced USD1,187,500 ($1,510,500) 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 20%, 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.

Table 12. Summary of indebtedness relating to promissory note issued in March 2022 at December 31, 2022.

For the years ended December 31,	2022	2021
Initial carrying amount	**$1,283,925**	$ -
Interest rate benefit recognized as shareholder contribution	**(187,312)**	-
Accretion expense	**212,286**	-
Foreign exchange translation gain	**84,196**	-
Balance, end of year	**$1,393,095**	$ -

Promissory Note issued in June 2022

On June 10, 2022, Dr. Keith Barron advanced a loan of $1,000,000 to the Company. The loan is unsecured, bears interest at 2% per annum and matures upon notice of twelve months and one day from the Lender. Up to USD300,000 of the loan was allocated to making annual concession payments in Peru, the balance funding working capital and ongoing exploration activities. IFRS requires that where an interest rate is below the market rate, estimated at 20%, 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.

Table 13. Summary of indebtedness relating to promissory note issued in June 2022 at December 31, 2022.

For the years ended December 31,	2022	2021
Initial carrying amount	**$850,000**	$ -
Interest rate benefit recognized as shareholder contribution	**(83,836)**	-
Accretion expense	**95,014**	-
Foreign exchange translation gain	**-**	-
Balance, end of year	**$861,178**	$ -

Promissory Note issued in July 2022

On July 29, 2022, Dr. Keith Barron, advanced a loan of $1,000,000 to the Company. The loan is unsecured, bears interest at 2% per annum and matures upon notice of twelve months and one day from the Lender. IFRS requires that where an interest rate is below the market rate, estimated at 20%, 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.

Table 14. Summary of indebtedness relating to promissory note issued in August 2022 at December 31, 2022.

For the years ended December 31,	2022	2021
Initial carrying amount	**$850,000**	$ -
Interest rate benefit recognized as shareholder contribution	**(63,699)**	-
Accretion expense	**72,192**	-
Foreign exchange translation gain	-	-
Balance, end of year	**$858,493**	$ -

Lease liabilities

The Company has certain leases related to offices and warehouse for the office in Toronto. The leases are for term through December 31, 2026.

Lease Liabilities	
Initial adoption (October 1st, 2022)	**$254,746**
Interest expense	3,840
Lease liabilities as at December 31, 2022	**$258,586**

Lease Liabilities	December 31, 2022
Current lease liability at year end	**$56,470**
Non-current lease liability at year end	**202,116**
Lease liabilities as at December 31, 2022	**$258,586**

8. EQUITY

Stock Options – Activity during the years ended December 31, 2022 and 2021:

Table 15. Summary of stock options activity and estimated fair value.

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2020	**3,541,000**	**$2.99**	**$5,151,939**
Granted	240,000	3.10	356,830
Exercised	(20,000)	(2.68)	(40,180)
Expired	(300,000)	(2.97)	(520,018)
Stock-based compensation expense	-	-	1,477,524
Balance – December 31, 2021	**3,461,000**	**$3.00**	**$6,426,095**
Granted	1,442,500	0.84	784,498
Expired	(140,000)	(2.00)	(143,938)
Cancelled	(644,000)	(2.86)	(1,203,625)
Stock-based compensation expense	-	-	790,846
Balance – December 31, 2022	**4,119,500**	**$2.31**	**$6,653,877**

Subsequent to year end 2022, the directors of the Company agreed to receive their director fees in stock options in lieu of cash for 2023. The Company granted a total of 53,568 stock options exercisable at $0.46, expiring on April 11, 2026 and vested immediately. Refer to Section 17 – Subsequent Events for updated information.

An aggregate of 316,000 stock options expired after year end 2022. As of the date of this MD&A, the following stock options were outstanding and exercisable.

Table 16. Detail of stock options issued, exercisable and estimated fair value.

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
180,000	180,000	$3.36	16-Jan-24	457,200
24,000	24,000	3.40	16-Jan-24	$60,960
77,000	77,000	2.97	28-Jun-24	170,940
780,000	780,000	2.70	24-Oct-24	1,463,477
200,000	200,000	3.16	7-Feb-25	471,999
760,000	760,000	3.51	17-Nov-25	1,502,519
100,000	66,667	3.25	22-Dec-25	182,500
200,000	133,333	3.21	25-Jan-26	372,452
53,568	53,568	0.46	11-Apr-26	15,000
40,000	40,000	2.51	1-Jul-26	59,640
1,245,000	415,000	0.84	30-Jun-27	410,595
162,500	54,167	0.84	4-Jul-27	42,404
35,000	8,750	0.84	18-Aug-27	8,102
3,857,068	**2,792,485**			**$5,217,786**

The weighted average contractual life remaining for stock options as of the date of this document is 2.82 years.

Restricted Stock Units - Activity during the years ended December 31, 2022 and 2021:

Table 17. Summary of RSU's activity and estimated fair value.

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2020	**420,500**	**$3.07**	**$208,098**
Cancelled RSUs	(41,500)	(3.27)	(68,879)
Shares to be issued for RSUs	(143,800)	(3.21)	(465,724)
Stock-based compensation expense	-	-	617,593
Balance – December 31, 2021	**235,200**	**$3.32**	**$291,088**
Cancelled RSUs	(93,000)	(3.38)	(103,087)
Shares to be issued for RSUs	(84,400)	(3.16)	(243,860)
Stock-based compensation expense	-	-	213,189
Balance – December 31, 2022	**57,800**	**$3.46**	**$157,330**

Shares to be issued- Activity during the years ended December 31, 2022 and 2021:

Table 18. Summary of STBI activity and estimated fair value.

	Number of Shares to be Issued	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2020	**89,400**		**$183,949**
Shares issued	(6,500)		(11,399)
Shares to be issued for vested RSUs	143,800		465,724
Shares to be issued for stock option exercise	20,000		93,780
Balance – December 31, 2021	**246,700**	**$2.80**	**$732,054**
Shares issued	3,000		3,900
Shares to be issued for vested RSUs	84,400		243,860
Balance – December 31, 2022	**334,100**	**$2.89**	**$979,814**

Warrants - Warrants and Agents' warrants activity for the years ended December 31, 2022 and 2021:

Table 19. Summary of warrants and Agents' warrants activity and estimated fair value.

	Number of Warrants/ Agents' Options	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2020	**3,380,938**	**$4.87**	**$2,463,801**
Issued warrants public offering	3,835,250	2.20	2,036,450
Issued agents warrants (Exercisable into units)	230,115	1.80	310,549
Issued warrants private placement	1,256,037	2.20	702,476
Issued warrants public offering	2,507,000	4.25	1,557,352
Issued agents warrants (Exercisable into units)	150,420	3.10	295,074
Issued warrants private placement	403,709	4.25	282,108
Expired	(836,851)	(4.00)	(395,255)
Balance – December 31, 2021	**10,926,618**	**$3.44**	**$7,252,555**
Issued warrants private placement	1,996,653	1.25	221,791
Issued warrants private placement	4,244,598	0.75	483,303
Finders warrants (Exercisable into units)	2,010	0.75	232
Expired	(2,544,087)	(3.00)	(2,242,114)
Balance – December 31, 2022	**14,625,792**	**$2.08**	**$5,715,767**

Subsequent to year end 2022, the Company issued an aggregate of 9,029,108 warrants and 52,252 finder's warrants pursuant to the closing of the first and second tranches of its non-brokered private placement financing of up to 10,869,565 units of the Company. Refer to Section 17 – Subsequent Events for more detail.

As of the date of this MD&A, the following warrants were outstanding and exercisable:

Table 20. Detail of warrants outstanding.

Expiry date	Number of Warrants	Exercise Price
April 1, 2024	2,507,000	$4.25
April 1, 2024	150,420	4.25
April 1, 2024	403,709	4.25
March 28, 2024	1,586,653	1.25
March 30, 2024	410,000	1.25
November 29 2024	2,417,166	0.75
December 22,2024	1,829,442	0.75
March 23, 2026	7,818,505	0.75
April 24, 2026	1,262,855	0.75
October 21, 2026	3,835,250	2.20
October 21, 2026	230,115	2.20
October 21, 2026	1,256,037	2.20
Balance – April 25, 2023	**23,707,152**	**$1.57**

9. 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 for the years ended December 31, 2022 and 2021 was:

Table 21. Summary of key management expense

At year ended December 31	2022	2021
Salary - corporate (1)	**$579,398**	$320,735
Salary – technical (1)	**207,271**	385,600
Director and advisor fees (2)	**30,000**	86,250
Stock-based compensation for key management (3)	**549,919**	1,152,599
Total key management compensation expense	**$1,366,589**	$1,945,184

(1) Salary - corporate includes 100% CFO fees, 30% of the President's compensation. Salary - technical includes the remaining 70% of the President's compensation and 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. An additional amount of $7,500 was paid to one outgoing director in lieu of them completing their full term. The Directors agreed to receive all of their director fees in the form of stock options in lieu of cash for the six-month period starting July 1, 2022 until December 31, 2022. Subsequent to the end of year, the directors decided to receive all of their director fees in the form of stock options in lieu of cash for the year 2023.

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

10. 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 years ended December 31, 2022 and 2021:

(a) During the year ended December 31, 2022, the Company incurred $101,581 (2021 - $144,000) 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. Included in accounts payable and accrued liabilities at December 31, 2022 is $nil (2021 - $12,000). These amounts are unsecured non-interest bearing and are due on demand. Refer to Section 16 – Commitments and Contingencies.

(b) Certain Company employees undertake work for other companies with officers and directors in common and charges 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 year ended December 31, 2022:

- $44,277 (2021-$71,255) was passed through to U3O8 Corp. whose President, CEO and Director, Dr. Richard Spencer was also Aurania's President and Director until his departure on the first quarter of the year, and Dr. Keith Barron, Director, Chairman and CEO of Aurania was also Chairman and Director of U3O8 Corp. At year ended December 31, 2022, $nil remained receivable.
- $nil (2021-$12,399) was passed through 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, Aurania's former President and Director served on the board of directors of Firestone Ventures Inc. At year ended December 31, 2022, $1,805 remained receivable.
- $nil (2021-$2,911) was passed through 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. At year ended December 31, 2022, $281 remained receivable. This amount is unsecured, non-interest bearing and due on demand.

(c) For other related party transactions, refer to Section 7 – Indebtedness, Section 9 – Key management expense and Section 17 – Subsequent events.

(d) Dr. Keith Barron, Chairman, CEO, President and largest shareholder of the Company subscribed for $400,000 of the March 30, 2022 private placement financing and for $500,000 of the December 22, 2022 private placement financing.

(e) Subsequent to December 31, 2022, Dr. Keith Barron, Chairman, CEO, President and largest shareholder of the Company subscribed for $3,310,089 of the March 23, 2023 private placement financing. Refer to Section 17 – Subsequent Events for more detail.

11. OFF-BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements.

12. PROPOSED TRANSACTIONS

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

13. CRITICAL ACCOUNTING ESTIMATES

There have been no changes in the Company's accounting estimates during the year ended December 31, 2022. The Company prepares its financial statements in accordance with IFRS. Significant assumptions about the future and other sources of estimation uncertainty that Management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(a) the inputs used in accounting for valuation of warrants and options which are included in the consolidated statement of financial position.
(b) the inputs used in accounting for stock-based compensation expense in the consolidated statement of loss.
(c) the $nil provision for decommissioning and restoration obligations which are included in the consolidated statement of financial position.
(d) the existence and estimated amount for contingencies.
(e) the valuation of shareholder contribution in connection with the issue of promissory note.

14. CHANGES IN ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

Changes in Accounting Policies

New and Amended IFRS standards recently adopted
During the year ended December 31, 2022, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e., a full-cost approach. Such costs include both the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items.

IFRS 16 – Leases ("IFRS 16") The IASB has extended the rent concessions amendment issued May 2020 by one year. This amendment provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. The practical expedient was originally available only for payments due on or before June 30, 2021, however, since the effects of COVID-19 are ongoing and significant, the IASB decided to extend the time period over which the practical expedient is available for use.

New and Amended IFRS standards not yet effective

A number of new standards are not yet effective for the year ended December 31, 2022 and have not been applied in preparing these financial statements. Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company's consolidated financial statements:

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

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Error ("IAS 8") In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – Income Taxes ("IAS 12") In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

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.

15. RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the nature of the mineral exploration industry. Although the Company assesses and minimizes these risks, an investment in the securities of the Company entails certain financial, operational and political risks, which should be considered carefully, including, without limitation, the risk factors set out below:

1. Market Price of Common Shares
2. Dilution
3. Dividend Policy
4. Commodity Prices
5. Uncertainty Related to Mineral Resources and Exploration Potential
6. Exploration, Development and Operating Risks
7. Risk Associated with an Emerging and Developing Market
8. Financing Risk
9. Environmental Risks, Hazards, and Protection
10. Mining Law and Mining Concession in Ecuador
11. Government or Regulatory Approvals
12. Instability in Ecuador
13. Community Relations
14. Surface Rights and Access
15. Labour and Employment Matters
16. Infrastructure
17. Tax Regime in Ecuador
18. Measures to Protect Endangered Species
19. Illegal Mining
20. Security Risks
21. Changes in Climate Conditions
22. Epidemic and Pandemic Diseases
23. Key Talent
24. Significant Shareholder
25. Internal Control over Financial Reporting
26. Conflicts of Interest
27. Dependence on Single Project
28. Information Technology Systems
29. Insurance and Uninsured Risks
30. Application of Anti-Bribery Laws
31. Legal Proceedings
32. Reputational Risk
33. Going Concern

The foregoing is not an exhaustive list and readers are encouraged to read a more comprehensive list in the most updated Annual Information Form available on the Company's web site at http://www.aurania.com and on www.sedar.com.

16. COMMITMENTS AND CONTINGENCIES

Environmental contingencies
The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

Service costs and consulting agreements
Commencing January 1, 2019, the Company entered into an agreement with Big Silver Ltd. a company owned and controlled by the Chairman, Chief Executive Officer and principal shareholder, for office rent and general office services. This contract was terminated by the Company in September 2022.

The Company is party to certain management contracts. At the year-end these contracts contain minimum commitments of approximately $622,326 and additional contingent payments of up to approximately $529,148 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the Company's 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 USD5,500 ($7,425) 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. This contract was renewed for another 12-month period.

On June 30, 2022, the company entered into a corporate services agreement for a fractional CFO. The Company is paying $220/hour on a monthly basis for wages based on hours worked. The term of the agreement is until June 15, 2023. Monthly services in 2022 have been approximately $13,000 per month.

In September 2022, the Company entered into a four-year term office lease agreement with monthly fees starting at $5,245 increasing to $5,673 through the term of the lease, and a storage fixed monthly fee of $623.

17. SUBSEQUENT EVENTS

Concession fee payment
Subsequent to December 31, 2022, concession fees in Ecuador for the year 2023 were paid during March 2023 and concessions remain in good standing.

Private placement financings
On March 13, 2023 the Company announced its intends to complete a non-brokered private placement financing of up to 10,869,565 units of the Company (the "Units") at a price of $0.46 per Unit (the "Issue Price") for total gross proceeds to the Company of up to $5,000,000 (the "Offering"). Each Unit will consist of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share (a "Warrant Share") at an exercise price of $0.75 per Warrant Share for a period of 36 months following the closing of the Offering.

On March 23, 2023 the Company announced the closing of the first tranche of the Offering. An aggregate of 7,801,145 Units were sold at a price of $0.46 per Unit, for total gross proceeds of $3,588,527 according to the terms previously announced. The Company paid commissions to certain finders of an aggregate of $7,986 in cash and 17,360 finder warrants. Each finder warrant entitles the holder to purchase one Unit at the Issue Price and is exercisable for a period of thirty-six (36) months from the closing of the first tranche. Dr. Keith Barron, the Chief Executive Officer, President, director, promoter and a significant shareholder of the Company subscribed for 7,195,845 Units under the first tranche. The proceeds of the first tranche, have been applied to concession fees and general and administrative expenses.

On April 25, 2023 the Company announced the closing of the second tranche of the Offering. An aggregate of 1,227,963 Units were sold at a price of $0.46 per Unit, for total gross proceeds of $564,863 according to the terms previously announced. The Company paid commissions to certain finders of an aggregate of $16,051 in cash and 34,892 finder warrants. Each finder warrant entitles the holder to purchase one Unit at the Issue Price and is exercisable for a period of thirty-six (36) months from the closing of the second tranche.

There is no guarantee that future tranches of the private placement will close.

Stock options
Subsequent to year end 2022, the directors of the Company agreed to receive their director fees in the form of stock options in lieu of cash for each quarterly period starting the quarter ended March 31, 2023, until December 31, 2023. On April 11, 2023, the Company granted a total of 53,568 stock options, 13,392 stock options to each director, exercisable at $0.46 per share and expiring on April 11, 2026. The options have a three-year term and vested immediately

An aggregate of 316,000 stock options expired unexercised after year end 2022.

18. 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.

19. SHARE DATA

Table 22. Summary of share data.

As at	Common Shares	Shares to be issued	Warrants	Agents' Options and Warrants	Stock Options	RSUs	Fully Diluted
December 31, 2021	51,959,675	246,700	10,385,313	541,305	3,461,000	235,200	66,829,193
March 31, 2022	53,963,828	246,700	11,338,399	541,305	3,461,000	187,700	69,738,932
June 30, 2022	53,963,828	246,700	11,338,399	541,305	4,196,000	187,700	70,473,932
September 30, 2022	53,953,328	249,700	11,338,399	541,305	4,393,500	142,200	70,618,432
December 31, 2022	58,217,926	334,100	14,243,247	382,545	4,119,500	57,800	77,355,118
March 31, 2023	66,019,071	334,100	22,044,392	399,905	3,919,500	57,800	92,774,768
April 25, 2023	67,247,034	334,100	23,272,355	434,797	3,857,068	57,800	95,203,154

20. ADDITIONAL INFORMATION

The Company
Aurania Resources Ltd. was incorporated under the laws of Bermuda on September 26, 2007 pursuant to the provisions of *The Companies Act 1981* (Bermuda). On February 18, 2011, the Corporation registered extra-provincially in the Province of Ontario, Canada.

Directors, Officers and Management
Keith Barron – President, Chief Executive Officer, Chairman of the Board of Directors and Director
Jonathan Kagan – Director
Nathalie Han – Director
Thomas Ulrich – Director
Francisco Freyre – Chief Financial Officer
Jean Paul Pallier – Vice President - Exploration
Carolyn Muir – Vice President - Corporate Development & Investor Relations

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Toronto, Ontario Canada M5C 1B5
Tel: (416) 367-3200
Email: info@aurania.com; Website: http://www.aurania.com

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

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