



January 1, 2024

Dear Shareholder,

I hope each and every one of you has had a meaningful and joyous Christmas, Hanukkah, Kwanzaa, Festivus, or any other celebration that holds significance in your life. As we start the New Year it is always a time for reflection and review, in life as in business. Unless you have been living in a cave for the last year you will know that the junior mining market has been incredibly challenged over the last twelve months. For me, it feels like we've been holed up in a bunker, waiting for the all-clear whistle to come out. The statistics are quite dire; only one IPO on the TSX in the whole of 2023, and I heard recently that the entire gold mining sector on the TSX has a combined market cap less than *Home Depot*. I don't know if that's true - I haven't done the math – but it sounds reasonable.

From a Macro point of view, there is much encouragement out there; especially a gold price that recently, albeit briefly, touched an all-time high in US dollars. Gold producers working in Canadian dollars, Rand, or Aussie dollars have been throwing off money, and yet the sector remains largely unloved. At the same time, the investor dollars are being lured away into the so-called “Magnificent Seven” stocks, one of which, Tesla, is considered by myself to have a very uncertain future. We live in the age of internet hype and momentum plays and it is easy to get discouraged if you are a player in the mining sector.

My Father, who was an unapologetic “Gold Bug” for almost fifty years and would (and did) engage with perfect strangers on the street about gold investments, fiat money and the like, started to purchase gold when he reckoned (rightly) the Vietnam War would push America into inflation. I remember he took me into the cavernous Bank of Nova Scotia in Toronto, where I made my own first purchase. It was a British Sovereign, and it cost me \$10. I still have it. Dad's attitude was to “put it aside and read the comics,” though he was indeed passionate about gold, and it was through his subscription to *the Northern Miner* that came through the post every week (he only read Franz Pick's column) that I first learned about mineral exploration. I remember reading an advertisement from RioCannex that if you wrote to them, they would send you back a portfolio of mineral photos. For some reason I thought as a little boy that I needed to send them money for the postage, and I mailed them a dollar bill. I was thrilled to receive the glossy photos in the mail, together with a handwritten note from the Secretary stapled to my dollar bill.

I think one of Dad's proudest moments was when I was named jointly as the “Mining Man of the Year” by the *Northern Miner*, and it was so much nicer for him that my discovery was for gold. Fruta del Norte is now one of the world's richest mines. When I think back on that success and jump to the present, I see lots of parallels between Aurania's situation today, and Aurelian's situation in 2005. We were essentially out of money, our share price had dropped from a high of \$5.80 to 30 cents, we had restricted activities to within walking distance to our camp to save money, and we had drilled dozens of holes with only a modicum of success. Lots of false starts, and I was beginning to believe the naysayers that Ecuador “was



only good for small mines”. But in the back of my mind, I was still firmly convinced that “Ecuador was Elephant Country”, and if we could stick it out and persevere we would be rewarded (and indeed we were). I knew how damned difficult it was to do exploration in the Amazonian rainforest (which the workers called the “Infierno Verde”). There was the almost constant rainfall, the lack of outcrop, and the incessant barrage of death threats from illegal gold miners and their backers on our property. How did the little boy from suburban Toronto find himself in a place like this where they didn’t even speak English?? Hard-nosed investors weren’t interested in hearing any of Keith’s trials and tribulations, they just wanted success. Those reading this letter who are themselves involved in exploration will know how hard it can be on the psyche and how difficult to stay focussed. In our office in Macas, our staff have put together this collage of photographs, many from their own personal collections, of our activity. I encourage you to take a look under increased magnification.



Our staff have put their hearts and souls into exploration, and it’s about time that we all are rewarded with success.



In a way though, we have already had success, though you may not recognize it as such. When Aurania began its exploration after the concessions were awarded in December, 2016, it was to work in an area with essentially no database. None. Josh Gates with “*Expedition Unknown*” has nothing on us. We had some vague historical information about “Lost Cities of Gold” but none of the usual trail of failure or unexpectedly curtailed exploration by other companies. We couldn’t pick up where others had left off. There was just an area on the geological maps interpreted from space satellite data, and that was it. It echoed the words I had seen on one of our ancient maps, “Beyond Here Nothing is Known.”



It also took many years to change the attitudes of our local stakeholders, the indigenous Shuar, from openly hostile, to friends and allies, and, for more than 4,000 of them to date, as co-workers.

What we discovered was a trend of copper and silver in sedimentary rock which is 23 km long and 6 km wide. What we discovered were two trends of high-grade lead-zinc-silver in limestone, for 14 km and the second for 9 km. What we discovered were more than a half dozen highly anomalous zones of gold-silver epithermal pathfinder elements. And what we discovered was a cluster of porphyry copper targets about 11 km across.

What we need to do now is avoid becoming one of those companies alluded to above whose “exploration was prematurely curtailed”. These targets are massive and out of the realms of possibility for any one junior company to tackle alone. They offer true “World Class” opportunity, but they require financial and time commitment. Over the last year, while the junior market has remained moribund, I have engaged with a number of Senior mining companies for strategic partnerships. I can say that things were going well, that is until President Lasso declared the “Muerte Cruzada” back in June, and threw a monkey wrench into everything. It got even worse in August when presidential candidate Fernando Villavicencio was killed at a rally. Without a clear winner in the election in August, all I could do was wait and see what would happen in the second round in October. Fortunately for all of us, Daniel Noboa, a moderate centrist, was elected, and took office December 1st. I have not had the pleasure of meeting him yet, but he certainly knows who I am and the importance of Aurania in Ecuador. Within only two weeks of taking office, and while cabinet appointments were still being made, his office organized meetings for us with



Arturo Felix, the Secretary of the Administration, and Andrea Arrobo, the Minister of Mines. Sr. Felix is the #2 person in the Government. We have excellent support with our efforts.

On the 10th and 11th of January, Carolyn and Myself will be presenting Aurania at the Future Minerals Forum in Riyadh, Saudi Arabia. We have already secured numerous meetings and are very much looking forward to discussing Aurania with a who's who of mining investors from the Middle East. What we offer is what no one else out there in the mining space can offer.....true world class opportunity for very long-lived mineral assets....especially in copper. With the support of the new government my confidence is high.

Just to round out things, I did my usual stint playing "Papa Noël" to about 700 Shuar children. This year we showed them some animated Xmas films in the villages, though I don't know what they made of the various references to snow and ice which they have never seen. My Foundation gave away colourful rubber boots to 1,000 kids and dressing in the red suit remains a highlight of my year. I wish the CEO's of other companies working in Ecuador would do the same, though in the equatorial heat a polyester Santa suit is not the best idea.

Things continue to chug along in France, and more about that soon. I'd like to take this opportunity to thank each and every one of you for your support. I believe that we are now back on track for success. Here's to all of us having a healthy and profitable 2024!

Feliz Año Nuevo y un Año Prospero y Seguro para Todos!

Dr Keith M. Barron

President, CEO and Chairman,

Aurania Resources Ltd.