



# AURANIA



**AURANIA RESOURCES LTD.**

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

**For the Three and Nine Months Ended September 30, 2024**

(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 and most recently in France. 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 applied for mineral concessions in adjacent northern Peru (“Peru Project”) and agreed to sell to Palamina Corp. (“Palamina”) 100% of the shares of its wholly-owned subsidiary for 350,000 common shares of Palamina (TSXV: PA, OTCQB: PLMNF) and a 1% Net Smelter Return (“NSR”) royalty over certain mining claims held by the Company’s subsidiary. The Company also applied for an exploration license in the Brittany Peninsula of northwestern France. These applications are progressing through the lengthy review process that precedes the granting of 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 nine months ended September 30, 2024 (the “Reporting Period”). This MD&A is prepared as at November 27, 2024, unless otherwise indicated, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the notes related thereto for the nine months ended September 30, 2024 (the “Financial Statements”) which have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. 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.sedarplus.ca> 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 (“\$”), Swiss Franc (“CHF”), the United States Dollar (“USD”), Peruvian Sol (“SOL”) and European euro (“€”)), 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.

## THIRD QUARTER 2023 HIGHLIGHTS

On September 23, 2024, Palamina Corp. ("Palamina"), completed the acquisition of 100% of the shares of Aurania's Peruvian subsidiary in exchange of 350,000 common shares of Palamina Corp. (TSXV: PA, OTCQB: PLMNF) and a 1% Net Smelter Return ("NSR") royalty over certain mining claims located in Peru and held by the Company's subsidiary. Palamina has the option to buy back half of the NSR for \$1,000,000 at any time.

Preparation was made for an induced polarization (IP) geophysical survey to identify drill targets at the Company's Kuri-Yawi gold target, which started after the end of the reporting period, on November 1, 2024. The survey should take approximately one month to complete after which data review will commence.

The Anaconda mapping program at the Awacha porphyry copper target area was completed. During this field program, new intrusive outcrops with typical porphyry alteration were found, some of them showing quartz veins with the presence of pyrite, chalcopyrite and covellite. A team of geologists will work on digitalizing, analyzing and interpreting the data from the Anaconda mapping program.

Aurania's CSR team, along with the Step Forward Foundation, celebrated the opening of a new school in the community of Chikichikentsa near the Company's Awacha porphyry copper target.

Subsequent to the reporting period end, the Company reached an agreement with the corresponding Ecuadorian authorities for the payment of the annual concession fees of its 42 mineral exploration concessions in Ecuador for the year 2024. All concessions continue to be in good standing.

The Company applied for a 51km<sup>2</sup> exploration permit immediately in the vicinity of a major shear zone called South Armorican Shear (cisaillement sud-armoricain) in the Brittany Peninsula of northwestern France. The concession area has historically been the site of significant high-grade gold finds.

Subsequent to the reporting period end, the Company signed a non-binding Memoranda of Understanding ("MOUs") with the Communes of Ogliastro and Nonza in Cap Corse, Northern Corsica, France, for the exploitation of heavy mineral beach placers that are highly enriched in nickel (Ni) and other metals. The nickel-bearing mineral in the black magnetic sand is awaruite, a naturally occurring nickel-iron alloy, which is both of high specific gravity (dense) and of high magnetic susceptibility (magnetic).

After the end of the reporting period, the Company announced its intention to complete a non-brokered private placement financing of up to 8,888,888 units of the Company at a price of C\$0.45 per Unit for total gross proceeds of up to C\$4,000,000. Refer to Section 17 – Subsequent Events for updated information

### 1.1. Exploration – Lost Cities Project, Ecuador

#### 1.1.1 Operational strategy

##### (a) Review of operational strategy and priority areas

Aurania's strategy is to focus the majority of its efforts on the epithermal gold and porphyry copper exploration at the Company's Lost Cities – Cutucu Project in Ecuador while exploring joint ventures and other potential partnerships in respect of advancing exploration projects in certain concessions. The Company has identified the Kuri-Yawi epithermal gold targets as having the highest priority in the short term for further exploration and target refinement.

The Company is evaluating all of its mineral concessions and may not renew those of lower geological interest. At this time, the Company does not know which concessions it may release.

**(b) 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 “phyllitic” alteration seen in porphyry systems. See Section 3.2.3 (b) – Intrusive-Related Copper Targets for recent developments.

At **Kuri-Yawi’s** intrusive-related copper targets no exploration was conducted during the nine months ended September 30, 2024.

**(c) Epithermal targets for gold-silver**

**Tatasham:** Three holes for a total of 1,664.64m were drilled between the fourth quarter of 2022 and the first quarter of 2023. The Tatasham target was considered only a porphyry target before initial drilling was completed. Nevertheless, the discovery of a breccia including clast of sinters and a sinter boulder 1,300m further to the south, led us to reclassify the area as having both epithermal and porphyry targets.

**Kuri-Yawi:** During 2020 and 2021, nine scout holes were drilled to test the soil geochemistry anomalies along with a geophysical anomaly detected during the 2021 MobileMT survey. The results at that time showed intense and pervasive hydrothermal clay mineral alteration (illite with areas of kaolinite) and silica-carbonate veinlets exhibiting epithermal textures which are encouraging features consistent with proximity to an epithermal system. See Section 3.2.2 (b) – Epithermal Targets for Gold-Silver for recent developments.

A TerraSpect survey conducted in the field has shown the presence of typical epithermal alteration zonation coinciding with chalcedony veins and a low magnetic anomaly. A low magnetic anomaly can result from the demagnetization of the rock due to hydrothermal alteration. Many sinter boulders are present in the vicinity of the Kuri-Yawi area. On September 16, 2024, Aurania signed an agreement with Gexplore, a geophysics company, to conduct an IP survey in the area of interest in Kuri-Yawi.

No additional exploration was made during the nine months ended September 30, 2024 at **Kuripan**, and **Latorre C**.

**(d) Regional exploration**

No regional exploration was conducted during the nine months ended September 30, 2024.

**1.1.2 Mineral Property Interests**

The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concession in Ecuador and reached an agreement for the payment of the annual concession fees for the year 2024. This agreement ensures the Company’s properties remain in good standing, enabling continued focus on exploration efforts.

**1.1.3 Corporate Social Responsibility (“CSR”)**

The Company’s CSR team is its 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.

During 2023, the CSR team and the Step Forward Foundation (the “Foundation”) started a pilot project in alliance with the Mathkind organization to train and provide key tools for teaching and coaching children in the learning of mathematics to reduce the educational gap in rural areas. Seven teachers, from the three communities involved in 2023, graduated during the first semester of 2024. Twenty additional teachers from five other communities started their training in June 2024 and graduated in October 2024. With the skills they learned, they are currently teaching 200 children.

The alliance designed the architectural plans for a new rural school, and together with the local teachers, the alliance



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developed an operational plan aligned with specific educational goals to run the school. The project includes constructing a new school and bathroom facilities, ensuring a safe and hygienic environment for the students, which is particularly necessary as the current bathrooms are infested with bats and rats. In August 2024, the Company's CSR team, along with the Step Forward Foundation, celebrated the opening of a new school with three classrooms and two teachers, benefiting 60 children from 2 communities near the Company's Awacha porphyry Copper target. Aurania's CEO & President, Dr. Keith Barron was there for the ribbon-cutting ceremony. Additionally, 300 school kits were given to the schools in five communities located in the Awacha, Kuri Yawi and Crunchy Hill targets.

In June 2024, the second phase of the micro-business program was launched in collaboration with the Foundation and local cooperatives in the Tatasham target area. This phase aims to enhance local families and communities' financial literacy, business association skills, and business planning capabilities. As part of this initiative, industrial sewing machines and fabrics were awarded to the winners of the 2023 best business plan competition, which proposed setting up a tailor shop. The runners-up received supplies to start micro-businesses making volleyball nets and hammocks. Additionally, after the end of the reporting period, building materials and construction support were provided to 20 women from the Awacha area to construct stalls for their micro-businesses. Alongside the construction of the stalls in October, an artisan craft workshop was held to support these 20 women and their micro-businesses. The trainer was an expert from another community in our zone of influence.

Aurania's CSR team continues to strengthen the social fabric in all our communities through different activities, social and humanitarian aid, and supporting the orphans in the communities nearby Tatasham and Awacha targets.

### 1.1.4 Health & Safety

There were no reportable accidents in the field during the third quarter of 2024. Safety and environmental care talks were provided to the temporary workers assisting with the Company's field operations.

### 1.1.5 Environment & Water

The Company submitted reports on water consumption to ARCA (Agency of Regulation and Control) for the areas where it holds water permits. Waste generated from field visits and office activities are categorized as hazardous, organic, and inorganic and managed in accordance with the environmental plan as an ongoing activity. No issues have been detected.

## 1.2 Exploration Project, Peru

The Company established its subsidiary in Peru in 2020 to explore the potential extension of a gold-copper mineral belt from its project in Ecuador into northern Peru. Aurania submitted applications for multiple concessions to the Peruvian Mining and Metallurgical Geological Institute ("INGEMMET") through this subsidiary. The number and size of those applications and concessions granted varied through the years, and the latest number of applications and concession titles were not considered material to the Company.

On June 10, 2024, the Company signed a share purchase agreement (the "Agreement") whereby the Company agreed to sell to Palamina 100% of the shares of Aurania's Peruvian wholly-owned subsidiary, Sociedad Minera Vicus Exploraciones S.A.C. ("Vicus") for 350,000 common shares of Palamina (TSXV: PA, OTCQB: PLMNF) and a 1% Net Smelter Return ("NSR") royalty over certain mining claims located in Peru which are held by Vicus. Palamina keeps the option to buy back half of the NSR for \$1,000,000 at any time.

The transaction was completed on September 23, 2024, and will allow the Company to focus its efforts on Ecuador and France, while Palamina will bring value to the Pluma copper silver project, the only asset held in Vicus covering 9,800 hectares in northeastern Peru. As at September 30, 2024, the Company stopped consolidating this subsidiary. This action has no significant impact on the Company's consolidated financial figures.

## 1.3 Exploration Project, France

### 1.3.1 Brittany



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The Company applied for a 51km<sup>2</sup> exploration permit immediately in the vicinity of a major shear zone called South Armorican Shear (cisaillement sud-armoricain) in the Brittany Peninsula of northwestern France through a wholly-owned French subsidiary. The concession area has historically been the site of significant high-grade gold finds. Placer gold in streams is present in the vicinity of the area.

In the area of interest, numerous gold nuggets or blocks of quartz containing high-grade gold were found. At the end of the 19<sup>th</sup> century, two auriferous quartz blocks of 1.17 kg and 1.47 kg were found at a distance of 400 m from each other. Recently, the Paris Museum acquired a block from this area containing 922 g of gold for a total weight of 3.31 kg. Around the 1980s, the BRGM (French equivalent of the USGS in the United-States) carried out alluvial sampling in the area which showed the presence of gold. Aurania's geologists have visited the area and found numerous blocks of quartz and evidence of past mining activity.

The Swiss challenge and public consultation phases planned in the permit application process have now been completed.

### 1.3.2 Corsica

After the end of the reporting period, the Company identified a significant opportunity in Corsica, France, by discovering nickel-rich beach placers. The Company signed a non-binding Memoranda of Understanding with the Communes of Ogliastro and Nonza in Cap Corse, facilitating the exploration and potential exploitation of heavy mineral beach sands enriched with nickel, cobalt, and copper. Preliminary analyses revealed exceptionally high nickel grades, with assays from simple panning yielding 50.4% nickel, 0.701% cobalt, and 0.476% copper.

Further exploration extended offshore, where substantial quantities of black sands containing the magnetic nickel-iron mineral awaruite were collected up to 600 meters from the shore. The Nonza Beach area, approximately 1,350 meters long and up to 350 meters wide, is estimated to have a maximum thickness of 14 meters, with the beach material extending onto the seabed. Preliminary studies suggest that up to 31.7% of the sand is magnetic, yielding concentrates with 40.1% nickel.

Metallurgical studies conducted by SGS Laboratories identified the presence of precious metals in addition to nickel, cobalt, and copper. A flotation concentrate of awaruite yielded 71.4% nickel, 0.98% cobalt, 0.65% copper, 0.58 g/t gold, 0.09 g/t platinum, and 0.39 g/t palladium. Further studies are underway to evaluate whether the mixed awaruite-magnetite material is better suited as a nickel-matte feedstock or as a polymetallic product, enhancing the project's economic viability. Exploration is also being conducted at Albo Beach, where identical sands are being studied for their metallurgical potential.

The presence of nickel in the Corsican beaches could be an opportunity for an innovative source of nickel for France. It combines decontamination and clean extraction of strategic metal necessary for the energetic transition while preserving the beaches.

## 1.4 Funding

### 1.4.1 Private placement financing

There was no financing activity during the three months ended on September 30, 2024. Subsequent to the reporting period end, on November 13, 2024 and November 25, 2024, the Company announced it intends to complete a non-brokered private placement financing of up to 8,888,888 units of the Company (the "Units") at a price of \$0.45 per Unit (the "Issue Price") for total gross proceeds to the Company of up to \$4,000,000 (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 24 months following the closing of the Offering. Refer to Section 17 – Subsequent Events for additional information.

## 2. SELECTED FINANCIAL INFORMATION

Table 1: Selected financial information

	As at September 30, 2024	As at December 31, 2023
Cash	\$1,912,638	\$325,262
Total assets	2,497,470	710,008
Total liabilities	13,281,044	10,882,401
Total shareholders' (deficiency)	(10,783,575)	(10,172,393)
Accumulated deficit	\$(103,902,983)	\$(98,771,170)

The change in the accumulated deficit is discussed in detail in Section 4 – Consolidated loss and comprehensive loss.

### 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							Differences	Discussion <sup>5</sup>		
	December 2019 Technical Report	Use of Proceeds ("UoP") Oct 2020 Offering <sup>3</sup>	UoP April 2021 Public offering/Private placement <sup>3</sup>	UoP Oct 2021 Public offering <sup>3,6</sup>	UoP Mar 2022 Private Placement and Promissory Note	UoP Jun 2022 Promissory Note	UoP Aug 2022 Promissory Note	UoP Dec 2022 Private Placement	UoP Mar 2023 Private Placement	UoP Mar 2024 Private Placement	Budgeted Cumulative Total	Year ended December 31, 2020	Year ended December 31, 2021 <sup>4,6</sup>	Year ended December 31, 2022	Year ended December 31, 2023	3 months ended March 31, 2024	3 months ended June 30, 2024			3 months ended September 30, 2024	Cumulative Total
<b>Ecuador</b>																					
Regional / Reconnaissance Exploration Target Development	\$600,000	\$390,000	\$476,591	\$-	\$-	\$595,000	\$1,000,000	\$-	\$-	\$-	\$3,061,591	\$980,499	\$1,321,403	\$435,336	\$81,699	\$-	\$85,082	\$-	\$2,904,019	\$157,572	Refer to 3.2.1
Epithermal Gold-Silver	2,530,000	1,970,000	1,911,073	356,820	-	-	-	-	-	1,210,000	7,977,893	1,772,760	2,651,317	262,684	125,519	83,120	130,482	146,523	\$5,172,406	2,805,487	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	224,957	82,776	-	-	-	\$5,051,280	(2,392,843)	Refer to 3.2.4
Intrusive-Related Copper	1,000,000	2,164,000	115,780	350,000	-	-	-	1,879,685	-	190,000	5,699,465	4,223,749	2,286,037	1,656,850	1,212,797	47,392	29,506	191,307	\$9,647,638	(3,948,173)	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	189,069	265,264	-	-	-	\$2,605,905	(33,313)	Refer to 3.2.4
Community Social Responsibility	250,000	350,000	526,098	390,000	-	-	-	-	-	250,000	1,766,098	906,800	847,972	419,165	408,844	77,735	83,279	102,884	\$2,846,679	(1,080,581)	Refer to 3.4
Environmental, Health and Safety	-	-	292,968	225,000	-	-	-	-	-	50,000	567,968	-	993,475	256,548	158,335	15,413	13,719	14,498	\$1,451,988	(884,020)	Refer to 3.5 and 3.6
Concessions <sup>1</sup>	2,800,000	2,800,000	53,100	1,470,000	1,400,000	-	-	-	3,165,349	3,237,483	14,925,932	2,785,907	2,613,615	2,776,966	3,165,349	3,237,483	-	-	\$14,579,320	346,612	Refer to 3.7.1
<b>Peru</b>																					
Concession and legal fees <sup>2</sup>	-	-	327,156	-	-	405,000	-	-	-	-	732,156	219,314	1,281,174	590,456	281,715	2,311	(340,657)	(315)	\$2,033,998	(1,301,842)	Refer to 3.7.2
Desktop studies	-	50,000	134,823	-	-	-	-	-	-	-	184,823	68,759	(29,990)	-	-	-	-	-	\$38,769	146,054	
<b>France</b>																					
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,849	64,714	70,446	121,919	\$323,928		Refer to 3.7.3
General office and travel expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,638	8,651	19,188	68,864	\$110,341		
<b>Working capital</b>					1,440,781					500,000	1,940,781										1,940,781
<b>Total</b>	<b>\$8,550,000</b>	<b>\$9,370,000</b>	<b>\$5,482,618</b>	<b>\$3,361,820</b>	<b>\$2,840,781</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,879,685</b>	<b>\$3,165,349</b>	<b>\$5,437,483</b>	<b>\$42,087,736</b>	<b>\$12,433,119</b>	<b>\$17,384,792</b>	<b>\$ 6,812,030</b>	<b>\$ 5,862,786</b>	<b>\$ 3,536,819</b>	<b>\$ 91,045</b>	<b>\$ 645,680</b>	<b>\$ 46,766,271</b>	<b>\$(4,244,266)</b>	

<sup>1</sup> The 2019 Technical Report excluded a line item for concession fees

<sup>2</sup> USD352,925 of the concession payments made in June 2021, fourth quarter of 2022 and June 2023 were satisfied by credit certificates from rejected property interest.

<sup>3</sup> Expenditures incurred have been largely consistent with the proposed use of proceeds with any variations discussed in the respective section.

<sup>4</sup> Certain costs included in Regional Exploration and Target Definition in the first and second quarters has been reclassified to Environment, Health and Safety.

<sup>5</sup> See 1.1.1 (a) Review of operational strategy and priority areas.

<sup>6</sup> 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

Stream sediment sampling had been completed over 66% of the Lost Cities Project. A field review of selected stream anomalies by a geologist led to the discovery of an area with visible gold in the vicinity of the Crunchy Hill area.

### 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		See sub-section 3.2.2 (b)
	Tatasham	Further exploration to refine epithermal system drill targets	See sub-section 3.2.2 (a) and 3.2.3 (a)
	Kuripan		See sub-section 3.2.2 (c)
Intrusive-Related Copper	Tatasham	Requalified to epithermal and porphyry targets after drilling	See sub-section 3.2.2 (a) and 3.2.3 (a)
	Awacha	Further exploration to refine porphyry-style drill targets	See sub-section 3.2.3 (b)

### 3.2.2 Epithermal Targets for Gold-Silver

#### (a) Tatasham

The Tatasham target was considered a porphyry target only before initial drilling 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 reclassify 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 898.89m during the first quarter of 2023. 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 to test the soil geochemistry anomalies and one of the geophysical anomalies detected during the MobileMT survey in 2021. The results at that time showed 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.

A TerraSpect survey conducted in the field has shown the presence of typical epithermal alteration zonation coinciding with chalcedony veins and a low magnetic anomaly. A low magnetic anomaly can result from the rock's demagnetization of the rock due to hydrothermal alteration. Many sinter boulders are present in the vicinity of the Kuri-Yawi area.



During the quarter ended on September 30, 2024, preparation was made for an induced polarization (IP) geophysical survey to identify drill targets at the Company's Kuri-Yawi gold target, which started on November 1, 2024. The IP survey is designed to identify deep conductors that could correspond to gold mineralization, and to target drill holes for the planned program in 2025. The IP survey is expected to be completed by the beginning of December 2024, with results expected in early 2025 following a review and interpretation of the data.

**(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.

**(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.

**(e) Crunchy Hill**

A scout drilling program was conducted between 2019 and 2020 at Crunchy Hill, including ten holes for 3,605m. The holes drilled did not intersect significant gold mineralization, but two important principal structures, which contained some silver, were crossed. The nature of veins intersected in the scout drilling at Crunchy Hill is indicative of the upper part of an epithermal system. However, no further study was done in this area due to the relatively small size of the target compared with Kuri-Yawi. During a recent control of the stream anomalies in the field, visible gold was found in the vicinity of the target. The gold was found during basic prospecting by one of Aurania's reconnaissance exploration geologists. The source of this gold needs to be confirmed through further investigation including the completion of assays.

### 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 Dr. 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. Between the fourth quarter of 2022 and the first quarter of 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 indicate the Awacha area corresponds to the upper part of a porphyry system. The last phase of the Anaconda mapping started in June 2024 and has been completed. During this field program, new intrusive outcrops with typical porphyry alteration were found, some of them showing quartz veins with the presence of pyrite, chalcopyrite and covellite. A team of geologists will work on digitalizing, analyzing and interpreting the data from the Anaconda mapping program.

**(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.

### 3.2.4 Sediment-hosted Targets

A review of the drill core and a stratigraphic study resulted in the definition of a new sediment-hosted deposit model that increases the potential of the area and reorients any future exploration on these targets. The Company believes this target area is favorable geologically, but it is not a high priority at this time given the large extension of the target area.

**(a) Tsenken**

The stratigraphic study based on the drill core review was completed during the fourth quarter of 2022. 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 in the south part of Tsenken and in Kirus.

**(b) Tiria-Shimpia**

Review of the drill 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 occur in the calcareous section of the Napo formation, which was originally identified as the much older Santiago formation. Consequently, there is a strong probability of finding 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 filed all the appropriate documentation for the renewal of its 42 mineral exploration concession in Ecuador and reached an agreement for the payment of the annual concession fees for the year 2024. This agreement ensures the Company's properties remain in good standing, enabling continued focus on exploration efforts.

## 3.4 Corporate Social Responsibility

The Company's CSR team continues to work closely with communities within the Lost Cities Project area, 98% of which are Indigenous. 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 government.

The Company currently has social license to operate in 55 communities located within the Lost Cities Project area. 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 between Government-Communities has been historically almost inexistent while the Company has strong ties and recognition within them.

## 3.5 Health and Safety

The Company believes that a safe and healthy workplace is a moral imperative reflecting the Company's respect for the individual and the community. The Company is committed to the safety and health of its employees and constantly monitors trends and reviews current and emerging issues in the safety and health field and evaluates their potential impact on the Company and its employees. Special effort has been directed at working with governmental agencies to improve health, sanitation and education within the Project area.

### 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 has invested in education about basic sanitation and water purification methods in conjunction with the Foundation and local residents.

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.

Regulation for mineral concessions have not changed and continue to be as described in note 8 (a) – Mineral concessions and obligations of the Company’s most recent annual consolidated financial statements for the year ended December 31, 2023, which can be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and on its website <http://www.aurania.com>.

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 <sup>1</sup>	\$1,038,820 <sup>2</sup>	\$3,354,497	
2 (2018)	2,004,923 <sup>1</sup>	2,077,640 <sup>2</sup>	4,396,820	
3 (2019)	2,046,475 <sup>1</sup>	2,077,640 <sup>2</sup>	5,116,155	
4 (2020)	2,077,640 <sup>1</sup>	2,077,640 <sup>2</sup>	8,627,136	
5 (2021)	2,077,640 <sup>1</sup>	2,077,640 <sup>2</sup>	12,820,134	
6 (2022)	2,207,493 <sup>1</sup>	2,077,640 <sup>2</sup>	5,364,089	
7 (2023)	2,337,345 <sup>1</sup>	2,077,640 <sup>2</sup>	4,486,236	
8 (2024)	2,389,286 <sup>3</sup>	2,077,640 <sup>4</sup>		<sup>5</sup>
<b>Estimated</b>	<sup>6</sup>	<sup>6</sup>		<sup>5,6</sup>

<sup>1</sup> Paid

<sup>2</sup> Requirement satisfied.

<sup>3</sup> The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions in Ecuador and, subsequent to the end of the reporting period, the Company reached an agreement with the corresponding Ecuadorian authorities for the payment of the annual concession fees for the year 2024. As part of the agreement, the Company has paid US\$459,094 and the balance will be paid within the following six months plus interest calculated over unpaid balances. The concessions continue to be in good standing.

<sup>4</sup> 2024 amounts are estimated maximum Required Expenditures that assumes the current number of concessions are maintained and a continuing fee of USD10.00 per hectare.

<sup>5</sup> Reported by March 31 of the following year.

<sup>6</sup> The Company will evaluate the concessions and may not renew those of lower geological interest. 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.



### **(b) Relinquishment or cancellation of concessions**

The size of the concession area constituting the Project may be reduced at the Company's discretion. 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**

On September 23, 2024, Palamina completed the acquisition of 100% of the shares of Vicus, Aurania's Peruvian Subsidiary. Aurania received 350,000 common shares of Palamina Corp. (TSXV: PA, OTCQB: PLMNF) and was granted a 1% Net Smelter Return ("NSR") royalty as full payment for the purchase of Vicus. Palamina has the option to buy back half of the NSR for \$1,000,000 at any time. As at September 30, 2024, the Company stopped consolidating this subsidiary. This action has no significant impact on the Company's consolidated financial figures.

This transaction will allow the Company to focus its efforts on Ecuador and France, while Palamina will bring value to the Pluma copper silver project, the only asset held in Vicus covering 9,800 hectares in northeastern Peru.

## **3.7.3 France Project**

Leveraging its experience in the field, the Company has applied for an exploration license in the Brittany Peninsula of northwestern France through a wholly owned French subsidiary. The target area includes the Hennebont area in the Morbihan Department, a region historically recognized for its significant high-grade gold finds, including placer gold present in streams in the vicinity of the area.

The Company's initiative to secure exploration rights in this promising area represents a significant step towards potentially unlocking an extraordinary new gold and other metals exploration opportunity in Brittany, France. This unique opportunity not only enhances the Company's portfolio significantly but also presents a strategic opportunity for the country regarding the potential the project could contribute to the country's resource independence.

The Company identified a significant opportunity in Corsica, France, by discovering nickel-rich beach placers. Subsequent to the reporting period end, the Company signed a non-binding Memoranda of Understanding with the Communes of Ogliastro and Nonza in Cap Corse, facilitating the exploration and potential exploitation of heavy mineral beach sands enriched with nickel, cobalt, and copper. This project could be an opportunity for the region to participate in the relocation of strategic resources for the energy transition while treating contamination linked to mining discharges into the sea, without harming the beaches.

## 4. CONSOLIDATED AND COMPREHENSIVE LOSS

At September 30, 2023, the Company incurred a loss of \$7,900,175 (third quarter of 2023 - \$8,661,041), increasing the accumulated deficit from \$98,771,170 at December 31, 2023 to \$103,902,983 at September 30, 2024.

Table 5. Expenditures for the three and nine months ended September 30, 2024, and 2023.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Operating Expenses:</b>				
Exploration expenditures	\$649,177	\$721,429	\$4,273,544	\$5,466,569
Stock-based compensation	(388,689)	286,744	510,831	531,729
Investor relations	168,343	109,897	431,650	307,659
Office and general	429,514	238,273	926,955	743,770
Management fees	30,590	61,601	122,648	236,621
Professional and administration fees	35,800	22,087	78,443	54,466
Regulatory and transfer agent fees	36,076	27,412	121,328	157,263
Amortization	20,587	25,465	64,305	82,471
<b>Total expenses</b>	<b>\$981,398</b>	<b>\$1,492,908</b>	<b>\$6,529,704</b>	<b>\$7,580,548</b>
<b>Other Expenses (Income)</b>				
Loss on foreign exchange	(130,394)	142,242	133,175	40,366
Interest income	(21,524)	(367)	(31,914)	(3,594)
Accretion of shareholder contribution	455,359	395,309	1,334,711	1,043,721
Gain on disposal of subsidiary	(65,502)	-	(65,502)	-
<b>Net loss for the period</b>	<b>1,219,337</b>	<b>2,030,092</b>	<b>7,900,175</b>	<b>8,661,041</b>
<b>Comprehensive Income or loss</b>				
Other comprehensive income or loss	(7,000)	-	(7,000)	-
<b>Net loss and comprehensive income or loss for the period</b>	<b>1,212,337</b>	<b>2,030,092</b>	<b>7,893,175</b>	<b>8,661,041</b>
Basic and diluted loss per share	\$0.01	\$0.03	\$0.10	\$0.13
Weighted average common shares outstanding – basic and diluted	96,548,674	67,471,737	82,246,622	64,501,351

The Company's accounting policy is to expense exploration expenditures and therefore the \$4,273,544 million expense in exploration represents the majority (54%) of the total loss. A discussion of the principal expenditure items follows:

### Exploration expenditures

The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions in Ecuador and, after the end of the reporting period, the Company reached an agreement for the payment of the annual concession fees for the year 2024. As part of the agreement, the Company has paid US\$459,094 and the balance will be paid within the following six months plus interest calculated over unpaid balances. The concessions continue to be in good standing. This agreement ensures the Company's properties remain in good standing, enabling continued focus on exploration efforts.

Other exploration costs include CSR, salaries, environment, health and safety activities among other expenses in Ecuador, and the project development and consultants in France.

Table 6. Breakdown of exploration expenditures.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>ECUADOR</b>				
<b>GEOLOGY/FIELD:</b>				
- Salaries, benefits	\$103,184	\$39,984	\$222,156	\$483,102
- Camp costs, equipment, supplies	83,339	51,766	164,164	183,941
- Project management	12,050	62,105	26,349	173,296
- Travel, accommodation	11,121	1,200	15,697	70,891
- Office (Quito, Macas)	4,799	4,791	15,211	20,005
- Environment, health & safety	9,764	7,784	26,170	106,747
- Water	14,498	15,456	43,630	50,332
- Drilling	109	-	82,424	475,210
<b>GEOCHEMISTRY</b>	425	-	428	21,633
<b>GEOFYSICS</b>	87,418	-	87,418	-
<b>EXPERT CONSULTANTS</b>	25,377	289	49,996	31,608
<b>CORPORATE SOCIAL RESPONSIBILITY – fees, travel, supplies</b>	103,097	75,856	264,156	326,787
<b>LEGAL AND OTHER FOR CONCESSIONS</b>	31	17,481	23,167	33,170
<b>CONCESSION MAINTENANCE - permits</b>	-	-	3,237,483	3,165,349
<b>Total exploration in Ecuador</b>	<b>\$455,212</b>	<b>\$276,712</b>	<b>\$4,258,449</b>	<b>\$5,142,071</b>
<b>PERU (Disposed Subsidiary)</b>				
- Costs related to concession fee applications	\$(322)	\$381,351	\$(344,609)	\$241,353
- Technical Consulting	4	2,520	3,591	17,020
- Travel, accommodation	-	-	-	404
- Legal	3	-	2,331	4,875
<b>Total exploration in Peru</b>	<b>\$(315)</b>	<b>\$383,871</b>	<b>\$(338,687)</b>	<b>\$263,652</b>
<b>FRANCE</b>				
- Cost related to concession fee application	4,199	-	4,199	-
- Camp cost, equipment, supplies	3,849	-	3,849	-
- Geochemistry	7,514	-	7,514	-
- Project management	54,058	-	168,249	-
- Expert consultants	67,861	53,215	88,830	53,215
- Travel, accommodation	13,529	7,631	29,117	7,631
- Legal expenses	43,270	-	52,024	-
<b>Total exploration – France</b>	<b>\$194,280</b>	<b>\$60,846</b>	<b>\$353,782</b>	<b>\$60,846</b>
<b>TOTAL EXPLORATION EXPENSE</b>	<b>\$649,177</b>	<b>\$721,429</b>	<b>\$4,273,544</b>	<b>\$5,466,569</b>

### Other Operating Expenditures

The Company has reduced its operating and administration costs year over year. The most relevant expenses relate to office and administration, investor relations activities and stock-based compensation.

Table 7: Cash Flow activities

Cash Flow Activities	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating	\$(3,035,483)	\$(7,406,270)
Financing	4,634,765	6,136,766
Investing	(11,904)	-
Decrease/(increase) in cash during the period	\$1,587,378	\$(1,269,504)

During the first nine months of 2024, the Company's cash position increased by \$1,587,378 (Table 7). The main cash source for the period consists of the private placement issued during May 2024 and the loan received from Dr. Barron in January 2024 as further discussed in section 7 – Indebtedness of this MD&A.



## 5. SUMMARY OF QUARTERLY RESULT

Table 8. Summary of quarterly result.

Quarters Ended	Net revenue	Net Loss	Loss per Share
September 30, 2024	-	\$1,219,337	\$0.01
June 30, 2024	-	1,948,071	0.02
March 31, 2024	-	4,736,264	0.07
December 31, 2023	-	1,310,504	0.01
September 30, 2023	-	2,030,092	0.03
June 30, 2023	-	1,395,103	0.02
March 31, 2023	-	5,235,846	0.09
December 31, 2022	-	2,435,709	0.04

## 6. LIQUIDITY AND CAPITAL RESOURCES

### Capital management

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and shareholder contribution and accumulated deficit, which at September 30, 2024 was a deficiency of \$10,783,575 (December 31, 2023 – deficiency of \$10,172,393). 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 nine months ended September 30, 2024.

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 nine months.

### 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 September 30, 2024, the Company had available cash of \$1,912,638 (December 31, 2023 – \$325,262) to settle current liabilities of \$3,918,118 (December 31, 2023 – \$829,072). Also, the Company has long-term liabilities of \$9,362,926 (December 31, 2023 – \$10,053,329). See note 9 – Promissory notes.

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.



Table 9. Summary of financial liabilities.

In Canadian \$ equivalents	Carry amount	Contractual cash flows	October 1, 2024 to September 30, 2025	Thereafter
Accounts payable and accrued liabilities	\$ 3,858,996	\$ 3,858,996	\$ 3,858,996	\$ -
Promissory note 2017	550,982	659,555	-	659,555
Promissory note 2019	3,819,423	4,571,446	-	4,571,446
Promissory note March 2022	1,434,779	1,717,105	-	1,717,105
Promissory note June 2023	1,747,792	2,087,984	-	2,087,984
Promissory note October 2023	867,016	1,037,112	-	1,037,112
Promissory note January 2024	861,565	1,031,619	-	1,031,619
Lease liabilities	140,491	167,446	73,428	94,018
<b>Total</b>	<b>\$ 13,281,044</b>	<b>\$ 15,131,263</b>	<b>\$ 3,932,424</b>	<b>\$ 11,198,839</b>

### 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 and the on-going exploration activities, CSR activities as well as corporate costs in Ecuador, France, Canada and, until recently, Peru.

## 7. INDEBTEDNESS

### Promissory Notes 2017 - 2023

During 2017, 2019, 2022, and 2023 Dr. Keith Barron, who is the Chairman, President, and Chief Executive Officer, as well as a principal shareholder of the Company (the "Lender" or "Dr. Barron"), advanced a total of seven loans to the Company in the following dates and amounts:

- March 20, 2017 – USD2,000,000 (\$2,671,600 at an exchange rate of 1.3358 USD/CAD). Portions of this loan were repaid on various dates, including a settlement involving stock options.
- April 22, 2019 – USD3,000,000 (\$4,005,900 at an exchange rate of 1.3353 USD/CAD)
- March 11, 2022 – USD1,187,500 (\$1,510,500 at an exchange rate of 1.2720 USD/CAD)
- June 10, 2022 – \$1,000,000
- July 29, 2022 – \$1,000,000
- June 14, 2023 – \$2,000,000, received in advances between June 20 and September 20, 2023
- October 13, 2023 – \$1,000,000, received in advances between October 11 and December 12, 2023

The loans are unsecured, bear interest at 2% per annum and mature 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% throughout the year ended December 31, 2023, there is deemed to be a benefit to the Company and as such that portion of the promissory loans considered to represent that benefit is recorded in equity as a shareholder contribution. The loans become repayable on the day following the one-year anniversary of Dr. Barron requesting repayment. The accretion on the promissory notes 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 notes as an accretion expense.

### Debt settlement

On April 17, 2024, with a subsequent update on April 24, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting \$2,072,165—comprising \$2,000,000 in principal and \$72,165 in accumulated interest on the loans dated June 10, 2022 and July 29, 2022—into 10,360,825 Common Shares at a price of \$0.20 per share. The completion of this debt settlement was announced on May 9, 2024. No warrants were issued in connection with this transaction. This strategic decision was made to preserve cash and strengthen the Company's balance sheet.

Table 10. Summary of indebtedness related to promissory notes from 2017 – 2023.

For the nine months ended September 30, 2024 and the year ended December 31, 2023	2024	2023
<b>Initial carrying amount</b>	<b>\$9,926,970</b>	\$ 10,064,229
Interest rate benefit recognized as shareholder contribution	(1,098,844)	(1,662,631)
Accretion expense	1,236,411	1,660,169
Debt settlement - Promissory notes June 10 and July 29, 202	(1,759,671)	-
Foreign exchange translation gain	115,126	(134,797)
<b>Balance, end of period</b>	<b>\$8,419,992</b>	\$ 9,926,970

#### Promissory Note issued in January 2024

On January 30, 2024, the Company announced the approval from the Board of Directors to receive a loan from Dr. Barron for an aggregate of \$1,000,000, received in advances between January and March, 2024. The loan is unsecured, bears interest at 2% per annum and becomes repayable on the day following the one-year anniversary of Dr. Barron requesting repayment. 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 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 related to promissory note issued in January 2024.

For the nine months ended September 30, 2024 and the year ended December 31, 2023	2024	2023
<b>Total proceeds</b>	<b>\$1,000,000</b>	\$ -
Initial shareholder contribution on initial recognition	(150,000)	-
<b>Initial carrying amount</b>	<b>850,000</b>	-
Interest rate benefit recognized as shareholder contribution	(86,734)	-
Accretion expense	98,299	-
<b>Balance, end of period</b>	<b>\$861,565</b>	\$ -

#### Lease liabilities

The Company has a lease related to an office for the operations in Toronto. The lease is for a term ending December 31, 2026.

Table 12. Lease liabilities

Lease Liabilities	
<b>Balance at December 31, 2023</b>	<b>\$181,640</b>
Interest expense	7,358
Payments	(48,507)
<b>Lease liabilities as at September 30, 2024</b>	<b>\$140,491</b>

Table 13. Classification of lease liabilities by maturity

Lease Liabilities	
Current lease liability at year end	\$59,122
Non-current lease liability at year end	\$81,368
<b>Lease liabilities as at September 30, 2024</b>	<b>\$140,490</b>

## 8. EQUITY

### Stock Options

The directors of the Company agreed to receive their director fees for 2024 in stock options in lieu of cash. The Company granted a total of 94,000 stock options exercisable at \$0.25 in lieu of their director fees for the first quarter of 2024; 54,000 stock options exercisable at \$0.46 in lieu of their director fees for the second quarter of 2024 and 42,000 stock options exercisable at \$0.54 in lieu of their director fees for the third quarter of 2024, expiring after three years and vesting immediately. A fair value of \$15,040; \$16,200 and \$16,380 respectively was determined using the Black-Sholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 105%, 108% and 97% respectively, and risk-free rate of 4.16%, 4.04% and 3.01%, respectively.

Additionally, the Board of Directors granted up to 2,100,000 stock options to directors, officers, employees and consultants in accordance with the Company's Stock Option Plan. The stock options have an exercise price of C\$0.46, are exercisable for five years and are subject to customary vesting conditions. A fair value of \$693,000 was determined using the Black-Sholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 94%, and risk-free rate of 3.51%.

During the nine months ended September 30, 2024, a total of 101,000 stock options expired unexercised, including 24,000 options on January 16 valued at \$60,960, and 77,000 options on June 28 valued at \$170,940.

Table 14. Summary of stock options activity and estimated fair value.

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
<b>Balance – December 31, 2023</b>	<b>5,161,468</b>	<b>\$1.28</b>	<b>\$5,074,717</b>
Granted	2,290,000	0.45	277,360
Expired	(101,000)	3.07	(231,900)
Stock-based compensation expense	-	-	510,831
<b>Balance – September 30, 2024</b>	<b>7,350,468</b>	<b>\$0.99</b>	<b>\$5,631,008</b>

The following table summarizes the outstanding stock options as at the date of this MD&A.

Table 15. 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
125,000	125,000	3.16	7-Feb-25	295,000
460,000	460,000	3.51	17-Nov-25	909,419
100,000	100,000	3.25	22-Dec-25	182,500
200,000	200,000	3.21	25-Jan-26	377,860
53,568	53,568	0.46	11-Apr-26	14,999
58,000	58,000	0.33	30-Jun-26	11,600
40,000	40,000	2.51	1-Jul-26	59,640
107,200	107,200	0.24	30-Sep-26	15,008
79,200	79,200	0.31	31-Dec-26	15,048
94,000	94,000	0.25	31-Mar-27	15,040
54,000	54,000	0.43	28-Jun-27	16,200
1,170,000	1,170,000	0.84	30-Jun-27	659,152
162,500	162,500	0.84	4-Jul-27	73,003
35,000	35,000	0.84	18-Aug-27	13,926
1,990,000	1,326,667	0.33	30-Jun-28	381,518
2,100,000	700,000	0.46	28-Jun-29	231,000
42,000	42,000	0.54	30-Sep-29	15,120
215,000	21,500	0.70	30-Oct-27	98,900
200,000	66,700	0.70	30-Oct-29	102,000
<b>7,285,468</b>	<b>4,895,335</b>	<b>\$0.86</b>		<b>3,486,933</b>

The weighted average contractual life remaining for stock options as at November 27, 2024 is 3.28 years.



**Restricted Stock Units** - There was no RSU activity during the nine months ended September 30, 2024.

**Shares to be issued**

The following table summarizes the shares to be issued activity for the nine months ended September 30, 2024:

Table 16. Summary of STBI activity and estimated fair value.

	Number of Shares to be Issued	Weighted Average Fair Value on Grant Date	Estimated Fair Value on Grant Date
<b>Balance – December 31, 2023</b>	<b>289,700</b>	<b>\$3.01</b>	<b>\$872,528</b>
STBI expired	(98,900)	2.93	(289,950)
<b>Balance - September 30, 2024</b>	<b>190,800</b>	<b>\$3.05</b>	<b>\$582,578</b>

**Warrants**

On May 31, 2024, the Company closed a non-brokered private placement financing for 18,716,112 units priced at \$0.20 per unit, each consisting of one common share and one full warrant, the warrant having an exercise price of \$0.45 per warrant and expiration dates of May 9, 2026, May 23, 2026, and May 31, 2026. The Company paid commissions to certain finders of an aggregate of \$3,430 in cash and 17,150 finder warrants. Each finder warrant entitles the holder to purchase one unit at \$0.20 and is exercisable for a period of twenty-four (24) months from the closing of the corresponding tranche.

A gross value of \$1,003,426 has been assigned to warrants using the Black-Sholes option pricing model for each tranche using the following assumptions: expected dividend yield of 0%, an expected life of 2 years, an expected volatility of 116.99%, 117.27% and 112.92%, respectively, and a risk-free rate of 4.19%, 4.19% and 4.26%, respectively. Volatility is based on the historical trading of the Company's shares.

The following summarizes the warrants and agents' options activity during the current year and outstanding warrants and agents' options as at the date of this MD&A:

Table 17. Summary of warrants and Agents' warrants activity and estimated fair value.

	Number of Warrants/ Agents' Options	Weighted Average Exercise Price	Estimated Fair Value
<b>Balance – December 31, 2023</b>	<b>23,931,855</b>	<b>\$1.17</b>	<b>\$6,997,977</b>
Issued warrants private placement	18,716,112	0.45	985,383
Finders warrants (Exercisable into units*)	17,150	0.45	926
Exercised	(4,444)	0.75	3,333
Expired	(3,061,129)	4.25	(2,246,513)
<b>Balance – November 27, 2024</b>	<b>39,599,544</b>	<b>\$0.83</b>	<b>\$5,741,106</b>



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

Table 18. Details of warrants outstanding.

Expiry date	Number of Warrants	Exercise Price
November 29, 2024	2,414,732	0.75
December 22, 2024	1,827,432	0.75
March 28, 2025	1,586,653	1.25
March 30, 2025	410,000	1.25
March 23, 2026	7,818,505	0.75
April 25, 2026	1,262,855	0.75
May 9, 2026	10,891,510	0.45
May 19, 2026	224,703	0.75
May 23, 2026	4,219,752	0.45
May 31, 2026	3,622,000	0.45
October 21, 2026	3,835,250	2.20
October 21, 2026	230,115	2.20
October 21, 2026	1,256,037	2.20
<b>Balance – November 27, 2024</b>	<b>39,599,544</b>	<b>\$0.83</b>

## 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. Director's fees are \$15,000 per annum, per director or \$3,750 per quarter. The Directors agreed to receive all of their director fees in the form of stock options in lieu of cash for the year 2023 and 2024.

Table 19. Summary of key management expense

For the nine months ended September 30,	2024	2023
Salary - corporate <sup>(1)</sup>	<b>\$122,648</b>	\$132,217
Salary – technical <sup>(2)</sup>	<b>194,597</b>	173,296
Stock-based compensation for key management <sup>(3)</sup>	<b>383,561</b>	315,980
<b>Total key management compensation expense</b>	<b>\$700,806</b>	<b>\$621,493</b>

<sup>(1)</sup> Salary - corporate includes 100% CFO fees.

<sup>(2)</sup> Salary - technical includes 100% of the compensation paid to the Vice President, Exploration

<sup>(3)</sup> This figure is the estimated fair value expense of vested stock options and RSUs granted to key management and directors during the nine months ended September 30, 2024, and 2023.

## 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 nine months ended September 30, 2024 and 2023:

- (a) Certain Company employees undertake work for other companies with officers and directors in common and the Company passes through the cost of the work done to those companies. The amounts receivable are unsecured, non-interest bearing and have no fixed terms of repayment. During the nine months ended September 30, 2024 and 2023:

- i. \$nil (2023-\$nil) was passed to Firestone Ventures Inc. Dr. Keith Barron, Chairman and CEO of the Company, was also President, CEO and Director of Firestone Ventures Inc. Dr. Richard Spencer, Aurania's former President and



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Director served on the board of directors of Firestone Ventures Inc. In June of 2023, the Company received the payment of the account receivable for \$1,805. As at September 30, 2024 and 2023, \$nil remained receivable.

II. \$nil (2023-\$nil) 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. In June of 2023, the Company received the payment of the account receivable for \$281. As at September 30, 2024 and 2023, \$nil remained receivable.

(b) During the nine months ended September 30, 2024, the Company incurred expenses of \$82,431 (same period of 2023-\$nil) for its operations in France paid by Dr. Keith Barron. As at September 30, 2024, \$82,431 remained as an accounts payable item due to Dr. Barron (September 30, 2023-\$nil).

For other related party transactions, refer to Section 1.4.1 – Private placement financing, Section 7 – Indebtedness, Section 9 – Key management expense and Section 17 – Subsequent events.

### 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

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

##### *Recently adopted accounting pronouncements*

Certain pronouncements were issued by the IASB that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company. There are no relevant IFRS's or IFRS interpretations that are effective that would have a material impact on the Company.

##### *Future changes in accounting pronouncements*

A number of new standards are not yet effective for the year ended December 31, 2024, and have not been applied in preparing these financial statements. 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. The Company will adopt these pronouncements as of their effective date.



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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. Early adoption is permitted.

### **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. There were no significant changes in the material risk and uncertainties faced by the Company from those reported in the Annual Information Form dated May 2, 2024 available on the Company's web site at <http://www.aurania.com> and on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## **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**

The Company is party to certain management contracts. At September 30, 2024 these contracts contain minimum commitments of approximately \$1,002,362, of which the totality is due within one year upon the termination of those contracts. In the occurrence of a change of control, additional contingent payments of up to approximately \$97,304 would be due. As a triggering event has not taken place, the contingent payments have not been reflected in the financials of the Company.

On June 30, 2022, the Company entered into a corporate services agreement for a fractional CFO at a rate of \$230/hour based on hours worked. During the nine months ended September 30, 2024, monthly services under this agreement averaged approximately \$13,000. The agreement is automatically renewed for six-month periods unless terminated in writing by either party. The current term of the agreement is set to expire on December 31, 2024. The Company plans to transition the current fractional CFO to a full-time employee role effective January 1, 2025.

In September 2022, the Company entered into a four-year term office lease agreement with monthly fees starting at \$5,248 increasing to \$5,673 through the term of the lease. See Section 7 – Indebtedness.

## **17. SUBSEQUENT EVENTS**

### **Warrants**

On October 15, 2024, a total of 4,444 warrants were exercised.

### **Stock options**

On October 30, 2024, the Company granted an aggregate of 415,000 stock options to certain officers and consultants of the Company pursuant to the terms and subject to the conditions of the Company's Stock Option Plan. The Options have an exercise



price of C\$0.70. Of those, 200,000 Options were granted to an officer of the Company and are exercisable for five years from the date of grant and are subject to customary vesting conditions.

#### Private placement financings

On November 13, 2024 and November 25, 2024, the Company announced it intends to complete a non-brokered private placement financing of up to 8,888,888 units of the Company (the “Units”) at a price of \$0.45 per Unit (the “Issue Price”) for total gross proceeds to the Company of up to \$4,000,000 (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 24 months following the closing of the Offering. There is no guarantee that the private placement will close in full or at all.

#### Debt settlement

The Company announced on November 13, 2024, and November 25, 2024, that the Board of Directors approved a debt settlement arrangement with Dr. Barron, whereby Dr. Barron will convert \$1,652,169, plus accumulated interest of \$88,448, of the loans owed to him by the Company into Common Shares at a price of \$0.45 per Common Share (the “Debt Settlement”). There are no warrants associated with the Debt Settlement. The Company has elected to settle the indebtedness through the issuance of Common Shares to preserve cash and strengthen the Company’s balance sheet.

#### Agreement on payment of mineral properties in Ecuador

The Company announced on November 25, 2024, that it has reached an agreement with the corresponding Ecuadorian authorities regarding the payment of its annual concession fees for its 42 mineral exploration concessions in Ecuador for the year 2024. This agreement ensures the Company's properties remain in good standing, enabling continued focus on exploration efforts. As part of the agreement, the Company has made a partial payment, with the balance to be paid within the following six months, including interest on the outstanding amount.

## 18. QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Jean Paul Pallier, VP Exploration, 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 20. Summary of share data.

As at	Common Shares	Shares to be issued	Warrants	Agents' Options and Warrants	Stock Options	RSUs	Fully Diluted
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
June 30, 2023	67,471,737	334,100	23,497,058	434,797	4,975,068	36,800	96,749,560
September 30, 2023	67,471,737	334,100	23,497,058	434,797	5,082,268	36,800	96,856,760
December 31, 2023	67,471,737	289,700	23,497,058	434,797	5,161,468	-	96,854,760
March 31, 2024	67,471,737	289,700	23,497,058	434,797	5,231,468	-	96,924,760
June 30, 2024	96,548,674	190,800	39,152,041	451,947	7,308,468	-	143,651,930
September 30, 2024	96,548,674	190,800	39,152,041	451,947	7,350,468	-	143,693,930
November 27, 2024	96,553,118	190,800	39,147,597	451,947	7,285,468	-	143,628,930

## 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 Ullrich – Director  
Francisco Freyre – Chief Financial Officer  
Jean Paul Pallier – Vice President - Exploration  
Carolyn Muir – Vice President - Corporate Development & Investor Relations

**Corporate Office**

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Email: [info@aurania.com](mailto: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.