AURANIA

AURANIA RESOURCES LTD.

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

For the Year Ended December 31, 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. During the year ended December 31, 2024, the Company completed the sale of 100% of the shares of its wholly-owned subsidiary holding mineral concessions in adjacent northern Peru ("Peru Project") to Palamina Corp. ("Palamina") in exchange 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 year ended December 31, 2024 (the "Reporting Period"). This MD&A is prepared as of April 24, 2025, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024 and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures contained herein 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, payment of concession fees, objectives, goals, exploration results, potential mineralization, the evaluation of strategic alternatives to meet the Company's ongoing obligations 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 to the assumption that all necessary consents, licenses, permits and approvals will be obtained, including various local government licenses, that the Company will have the resources to satisfy its ongoing obligation including the payment of concession fees, 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. Investors are cautioned that these forward-looking statements are neither promises nor guarantees and are subject to risks and uncertainties that may cause future results to differ materially from those expected. Risk factors that could cause actual results to differ materially from the results expressed or implied by the forward-looking information include, among other things, a failure to obtain or delays in obtaining the required regulatory licenses, permits, approvals and consents, that additional financing is expected to be required in the near-term, an inability to access financing as needed, in a timely fashion, or at all, an inability to reach an agreement for payment of annual concession fees, that there is no guarantee the Company's evaluation of, and potential implementation of, considered strategic alternatives will result in the Company being able to meet all of its upcoming obligations, a general economic downturn, a volatile stock price, labour strikes, political unrest, changes in the mining regulatory regime governing Aurania, a failure to comply with environmental regulations and a weakening of market and industry reliance on precious metals and copper. Aurania cautions the reader that the above list of risk factors is not exhaustive. 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.

2024 HIGHLIGHTS

During the fourth quarter of 2024, the Company advanced drill target definition at its Kuri-Yawi gold target through detailed geophysical surveys and geological mapping. Preliminary results show a large vertical conductive corridor aligned with thallium-rich chalcedony veins, key indicators of epithermal systems. Two main chargeability structures were identified, interpreted as potential mineralized zones. Ongoing data integration will guide preparations for a future drill campaign.

The Anaconda mapping program at the Awacha porphyry copper target area was completed during 2024. Initial geological reconnaissance has confirmed an area of interest through the observation of porphyric intrusive showing potassic and sericite alteration with the presence of quartz veins with chalcopyrite traces. Next steps will consist of an interpretation of all the data collected with the realization of thematic maps in order to define the most prospective area of interest.

In 2024, Aurania's CSR activities supported clean water access, education, and women's entrepreneurship across the communities in its areas of influence in Ecuador, including the launch of a micro-business program, school and library construction, and community-based training initiatives.

The Swiss challenge and public consultation phases have now been completed associated with the application for a 51km2 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, and the Company continues to advance through the progress of the application.

The Company signed non-binding memoranda of understanding 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).

AuroVallis, the wholly owned Swiss subsidiary of Aurania, completed the liquidation process initiated several years on June 30, 2024, with no impact on the Company's consolidated financial figures.

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.

During 2024, the Company completed two non-brokered private placements totaling $5,429,481 in gross proceeds, with units priced at $0.20 and $0.45, each including one common share and one warrant. Proceeds were used to advance exploration activities and working capital. To preserve cash and improve the balance sheet, the Company settled $3,812,781 in debt owed to Dr. Keith Barron through the issuance of common shares. Additionally, the Company received a $1,000,000 unsecured loan from Dr. Barron to support ongoing operations.

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. Subsequent to year end, the Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions in Ecuador for the year 2025 and filed a request to enter into a new agreement for payment of the associated annual concession fees. Its property in Ecuador remains in good standing while an agreement is being finalized.

Subsequent to year end, on April 3, 2025, the Company announced its intention to complete a non-brokered private placement financing of up to 5,000,000 units of the Company at a price of $0.30 per unit for total gross proceeds of up to $1,500,000. On April 17, 2025, the Company announced the closure of the first tranche. An aggregate of 3,182,899 units were sold under the first tranche for total gross proceeds of $954,870. Each unit consisting of one common share of the Company and one common share purchase warrant, the warrant having and exercise price of $0.55 per common share and an expiry date of two years after closing of the first tranche. Dr. Keith Barron subscribed for 1,000,000 Units of this offering. There is no guarantee that the private placement will close in full or at all.

1.1. Exploration – Lost Cities Project, Ecuador

1.1.1 Operational Strategy and Priority Areas

Aurania's exploration strategy continues to focus on the identification and advancement of epithermal gold and porphyry copper targets at the Company's Lost Cities – Cutucu Project in Ecuador. The Company prioritizes high-potential areas for near-term drill targeting, while also assessing joint ventures or partnerships for 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.

(a) Intrusive-Related Copper Targets

During 2024, work continued at the Awacha target with the completion of the Anaconda mapping. The geological observations and descriptions conducted over an area of 14 km^2, in addition to the initial geological reconnaissance at the northern magnetic anomaly (Awacha North) has confirmed an area of interest through the observation of porphyric intrusive showing potassic and sericite alteration with the presence of quartz veins locally with chalcopyrite traces. See Section 3.2.3 (b) – Intrusive-Related Copper Targets for detailed developments.

No additional field work was conducted at the Tatasham or Kuri-Yawi intrusive-related copper targets in 2024.

(b) Epithermal Targets for Gold-Silver

During 2024, field activities at Kuri-Yawi focused on refining drill targets through geophysical surveys and geological mapping. Preliminary results have outlined two main chargeability vertical structures consistent with an epithermal system, which will guide future drilling campaigns. See Section 3.2.2 (b) – Epithermal Targets for Gold-Silver for detailed developments.

At Crunchy Hill, the Company conducted field reconnaissance following the discovery of visible gold. While the source of the gold remains unidentified, further work may be pursued in the future.

No additional exploration was conducted in 2024 at Tatasham, Latorre C, or Kuripan.

(c) Regional Exploration

No regional reconnaissance exploration was conducted in 2024.

1.1.2 Mineral Property Interests

The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions 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")

During 2024, a total of twenty-five teachers from five different communities graduated from the program started in 2023 by the Company and the Step Forward Foundation (the "Foundation"), 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. With the skills they learned, they are currently teaching 200 children. In addition, twenty-five girls participated in a summer camp focused on building self-esteem and promoting gender equality as part of a broader effort to prevent violence and empower young women in the region.

As part of its ongoing alliance with the Foundation, and in collaboration with local teachers, the Company contributed to the design and construction of the new "Cecib Unkuch" rural school. The initiative included the development of architectural and operational plans aligned with local educational objectives and addressed critical infrastructure needs by replacing unsafe and unsanitary facilities. In August 2024, Aurania's CEO & President, Dr. Keith Barron, participated in the ribbon-cutting ceremony for the new school, which features three classrooms and two teachers and now serves 60 children from two nearby communities. Additionally, 300 school kits were distributed to students in five communities located near the Awacha, Kuri-Yawi, and Crunchy Hill target areas.

The second phase of the micro-business program initiated in 2023 was launched during 2024 in collaboration with the Foundation and local cooperatives in the Tatasham target area. This phase focused on enhancing financial literacy, business association skills, and business planning among local families and communities. At the end of this phase, industrial sewing machines and fabrics were awarded to the winners of the best business plan competition, which proposed establishing a tailor shop. Runners-up received supplies to launch a micro-business producing volleyball nets and hammocks. In the Awacha area, during 2024 the alliance provided building materials and construction support to 20 women to establish ten vendor stalls for their businesses. To complement this effort, an artisan craft workshop—led by a trainer from a neighboring community—was held to support 16 participants in the development of their products and entrepreneurial skills.

Aurania maintains social license to operate in 55 communities within the Lost Cities – Cutucu Project area, the majority of which are Indigenous. The Company continues to strengthen the social fabric in these communities through a range of initiatives, including community engagement, humanitarian aid, and dedicated support for orphans in the areas surrounding the Tatasham and Awacha targets. In December 2024, the Company and the Foundation, delivered 500 backpacks, 400 toys, 200 educational kits, 3,800 holiday gift bags, and 57 food baskets for elders, as well as community work tools to all communities within the Company's direct area of influence.

1.1.4 Health & Safety

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

1.1.5 Environment & Water

In collaboration with the Foundation and local residents, the Company is investing in education about basic sanitation and water purification methods to maintain clean water systems previously installed in nine communities.

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.

All areas affected by drilling activities and temporary camps have been fully restored in accordance with the Environmental Management Plan. The restoration process was carried out in compliance with applicable regulations and industry best practices, reflecting the Company's ongoing commitment to minimizing environmental impact and maintaining positive relationships with both local communities and regulatory authorities.

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. Through this subsidiary, the Company submitted multiple concession applications to the Peruvian Mining and Metallurgical Geological Institute ("INGEMMET"). Over time, the number and size of these applications and granted concessions varied, and the most recent figures were not considered material to the Company.

On June 10, 2024, the Company signed a share purchase agreement (the "Agreement") to sell 100% of the shares of its Peruvian wholly-owned subsidiary, Sociedad Minera Vicus Exploraciones S.A.C. ("Vicus"), to Palamina 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 Vicus. Palamina retains the option to repurchase half of the NSR for $1,000,000 at any time.

The transaction closed on September 23, 2024, allowing the Company to focus its exploration efforts on Ecuador and France. Vicus' sole asset, the Pluma copper-silver project, covers 9,800 hectares in northeastern Peru and will now be advanced by Palamina. As of September 23, 2024, the Company ceased consolidating Vicus in its financial statements. This transaction had no significant impact on the Company's consolidated financial results.

1.3 Exploration Project, France

1.3.1 Brittany

The Company, through a wholly owned French subsidiary, has applied for a 51 km² exploration permit in the Brittany Peninsula of northwestern France. The permit area lies in the immediate vicinity of a major shear zone called South Armorican Shear (cisaillement sud-armoricain), a site of significant history of 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 have been found. Two auriferous quartz blocks weighing 1.17 kg and 1.47 kg, respectively, were discovered in the late 19th century, only 400 metres apart. More recently, the Paris Museum acquired a block from the area containing 922 grams of gold, with a total weight of 3.31 kg. In the 1980s, the BRGM (Bureau de Recherches Géologiques et Minières), France's national geological survey, carried out alluvial sampling in the area, confirming the presence of gold. Aurania's geologists have visited the site and found numerous quartz blocks and evidence of past mining activity.

As of the date of this document, both the Swiss challenge and public consultation phases required under the exploration permit application process have been successfully completed.

1.3.2 Corsica

In Corsica, France, the Company has identified a significant opportunity in nickel-rich beach placers located along the Albo and Nonza beaches. These beaches were artificially formed during historical mining operations (1948–1965), when waste rock from the Canari mine was discharged into the sea. Over time, this material accumulated to create black sand deposits rich in awaruite (Ni_3Fe), a naturally occurring magnetic nickel-iron alloy that can be extracted without the use of chemicals.

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. Subsequent offshore sampling identified substantial quantities of magnetic black sands extending up to 600 meters from the shore. At Nonza Beach alone—approximately 1,350 meters long and 350 meters wide with estimated maximum thickness of 14 meters—preliminary studies suggest that up to 31.7% of the sand is magnetic, yielding concentrates with 40.1% nickel.

The Company, through its wholly-owned subsidiary Corsica Ressources S.A., signed non-binding Memoranda of Understanding with the Communes of Ogliastro and Nonza in Cap Corse, facilitating the exploration and potential exploitation of the heavy mineral beach placers. The Company has also worked to secure an agreement with officials in Paris to ensure that any royalties would be distributed locally.

The Company commissioned a French environmental engineering firm to conduct a formal environmental impact study, now underway, covering both terrestrial and marine environments. The study is part of a broader effort to ensure environmentally responsible development. Once completed, the findings will help define project parameters and guide next steps. The results will be shared transparently with all stakeholders, including local communities, authorities, and investors.

Looking ahead, the magnetic concentrate may be sold directly as furnace feed to stainless steel producers or further refined into battery-grade nickel sulphate for the EV market. The simple extraction method—underwater dredging and magnetic separation—targets only fine magnetic material (<1 mm), while returning all non-magnetic material to the beach, preserving its natural appearance. No chemical processing is planned onsite and plans to operate exclusively during the off-season to minimize disruptions to tourism. Further downstream processing, if pursued, would occur offsite, including the potential production of battery-grade nickel sulphate.

The presence of nickel in the Corsican beaches is a unique opportunity for France to secure a clean, domestic supply of strategic metals critical to its energy transition while preserving the beaches and ensuring economic benefits for local communities. The Company is positioning itself as a responsible partner in this effort through clean, sustainable nickel production.

1.4 Funding

1.4.1 Private Placement Financing

In 2024, the Company completed two non-brokered private placements, for total gross proceeds of $5,429,481. The first offering, which closed on May 31, 2024, was for total gross proceeds of $3,743,222 through the issuance of 18,716,112 units priced at $0.20 per unit. The second offering, completed on December 23, 2024, was for total gross proceeds of $1,686,259 through the issuance of 3,747,243 units priced at $0.45 per unit. Each unit in both placements consisted of one common share and one full warrant, with a 24-month term. Warrant exercise prices were $0.45 and $0.75, respectively. Certain directors participated in the financings, and the Company paid commissions to certain finders in both cash and finder warrants. For additional details, refer to Section 6 – Liquidity and Capital Resources and Section 8 – Equity.

1.4.2 Related Party Loans

During the year, the Company entered and settled related party transactions with Dr. Keith Barron, the Company's Chairman, CEO, and President. In January 2024, the Company received a **$1,000,000 unsecured loan** from Dr. Barron, bearing interest at 2% per annum and received advances between January and March 2024. Additionally, in May and December 2024, the Company settled a combined total of **$3,812,781** in debt (including interest) owed to Dr. Barron by issuing common shares, improving the Company's balance sheet while preserving cash. See Section 7 – Indebtedness for more details.

2. SELECTED FINANCIAL INFORMATION

Table 1: Selected financial information

Year ended December 31	**2024**	2023	2022
Cash	**$1,593,204**	$325,262	$1,473,768
Total assets	**2,040,792**	710,008	2,353,500
Total liabilities	**11,865,268**	10,882,401	9,385,756
Total shareholders' (deficiency)	**(9,824,476)**	(10,172,393)	(7,032,256)
Accumulated deficit	**$(105,412,888)**	$(98,771,170)	$(91,520,949)

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.

	Budgeted project expenditures											Actual expenditures										
Exploration Category	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	UoP Mar 2023 Private Placement	UoP Mar 2024 Private Placement	**Budgeted Cumulative Total**	Year ended December 31, 2020	Year ended December 31, 2021[4,6]	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**	**3 months ended December 31, 2024**	**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	$435,336	$81,699	$ -	$ 85,082	$ -	$ -	**$2,904,019**	$157,572	Refer to 3.2.1
Target Development																						
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	490,377	**$5,662,783**	2,315,110	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	18,519	**$9,666,157**	(3,966,692)	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	112,419	**$2,959,098**	(1,193,000)	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	60,099	**$1,512,087**	(944,119)	Refer to 3.5 and 3.6
Concessions [1]	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
Peru																						
Concession and legal fees [2]	-	-	327,156	-	-	405,000	-	-	-	-	**732,156**	219,314	1,281,174	590,456	281,715	-	270	-	-	**$2,372,929**	(1,640,773)	Refer to 3.7.2
Desktop studies	-	50,000	134,823	-	-	-	-	-	-	-	**184,823**	68,759	(29,990)	-	-	-	-	-	-	**$38,769**	146,054	
France																						
Professional services	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	66,849	64,714	70,446	121,919	150,326	**$474,254**		Refer to 3.7.3
General office and travel expenses	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	12,178	8,651	19,188	68,864	19,617	**$128,498**		
Working capital	-	-	-	-	1,440,781	-	-	-	-	500,000	**1,940,781**	-	-	-	-	-	-	-	-	**-**	1,940,781	
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**	**$3,165,349**	**$5,437,483**	**$ 42,087,736**	**$12,433,119**	**$17,384,792**	**$ 6,812,030**	**$ 5,861,326**	**$3,534,508**	**$ 431,972**	**$ 645,995**	**$ 851,357**	**$ 47,955,099**	**$(5,264,611)**	

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

[2] 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.

[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 (a) 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

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)
	Tatasham		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)

3.2.1 Reconnaissance Exploration

Stream sediment sampling has been completed over 66% of the Lost Cities Project. During 2024, follow-up reconnaissance work was conducted on the Crunchy Hill area, after a field review of selected stream anomalies led to the discovery of an area with visible gold in the vicinity. See Section 3.2.2 (e) – Crunchy Hill for details.

3.2.2 Epithermal Targets for Gold-Silver

(a) Tatasham

The Tatasham target was initially classified solely as a porphyry target prior to the commencement of drilling in late 2022. However, the discovery of a breccia containing clasts of sinter above hole TT-001, along with a sinter boulder located 1,300 metres to the south, led to the reclassification of the area as hosting both epithermal and porphyry targets. Three holes were drilled between the fourth quarter of 2022 and the first quarter of 2023, totaling 1,664.64 metres. Holes TT-001 and TT-002 crossed a zone of intense silicification associated with fault and breccia, interpreted as the distal part of an epithermal system. Hole TT-003 crossed a sinter paleosurface over 30 metres thick, above an intensely silicified zone with breccias and barite veins.

(b) Kuri-Yawi

During 2020 and 2021, nine scout holes were drilled for a total of 4,957 metres to test the soil geochemistry anomalies and one of the geophysical anomalies detected during the MobileMT survey. 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 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 last quarter of 2024, the Company completed the first and second stages of field work at the Kuri-Yawi target. The program included an induced polarization (IP) geophysical survey over a 3 km² area, conducted by GexplOre under the supervision of Aurania's consulting geophysicist, and subsequent geological mapping and validation of preliminary results. Early findings identified a large vertical conductive corridor coinciding with thallium-rich chalcedony veins—an indicator often associated with the upper levels of epithermal systems. Two key chargeability structures were detected: one to the northwest and another to the south, both interpreted as potential mineralized zones. Data processing and integration are ongoing to support planning for a future drill campaign.

(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 by one of Aurania's reconnaissance exploration geologists. A series of field investigations were conducted in the area. This included geological mapping, panning tests in the rivers, five test pits, and 32 soil samples, which were panned to assess the presence of gold. The results allowed us to define the limit of the area of visible gold but did not identify the source of the gold. The Crunchy Hill target area remains on standby for further work while geologists focus on work at the Kuri-Yawi targets.

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 2022, an Anaconda mapping was carried out in an area defined by Dr. Steve Garwin and Aurania's geology team, based on soil geochemistry and geophysics. The mapping results revealed a zone 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 north-south trend aligns with hydrothermal alteration zones detected by 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, covering an area approximately 9 km by 6 km. The stream results show anomalies in copper, molybdenum, arsenic and bismuth. Soil results, received in early 2022, revealed a low-grade anomalous copper in both soil (> 50 ppm Cu) and rock (> 200 ppm Cu), extending over 7km (north-south) and by 1-2km (east-west) through the western portion of the prospect.

Anaconda mapping began at the end of 2022, accompanied by a field-based IR spectrometry (Terraspec) study on collected rock samples. The results indicated hydrothermal alteration styles ranging from chlorite–propylitic to illitic, phyllic (quartz–sericite), and locally potassic (biotite). Field observations also documented intrusive outcrops ranging from syenite to monzodiorite, along with quartz veins locally containing chalcopyrite.

Between the fourth quarter of 2022 and the first quarter of 2023, a Terraspec study conducted by ASL Laboratory analyzed 393 soil samples. The results have shown the presence of pyrophyllite and dickite, indicative of advanced argillic alteration, which supports the interpretation that the Awacha area represents 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 historical drill core, combined with a stratigraphic study, led to the development of a revised sediment-hosted deposit model, which enhances the geological potential of the area and will guide the direction of future exploration. While the Company considers this target type geologically favorable, it is not currently a high priority due to the extensive size of the area.

(a) Tsenken

The stratigraphic study, completed in 2022 and based on core review, identified a geological setting favorable for additional sediment-hosted copper-silver occurrences. These may be analogous to the Kupferschiefer-type deposits found in Poland. The primary target horizon is the Hollin Formation, which is present in the southern part of the Tsenken area and in Kirus.

(b) Tiria-Shimpia

A 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 previously identified as the older Santiago formation. There is a strong probability of finding the presence of new mineralization along the graben faults subscribing the Napo inlier. Management is encouraged by this revised geological understanding.

3.3 Mineral Property Interests and Obligations

The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions 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.

3.4 Corporate Social Responsibility

The Company 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 holds social license to operate in 55 communities within the Lost Cities Project area. To help maximize the long-term social and economic benefits of social programs in areas of direct influence, the Company has historically provided technical and logistical support to government initiatives, particularly in remote regions where access is challenging and therefore state presence is limited. In 2024, collaboration continued primarily with the Ministry of Education, alongside the Company's regular interactions with the Ministry of Energy and Non-Renewable Resources ("MENRR") and the Ministry of the Environment, Water and Ecological Transition ("MEWET"). These efforts support the delivery of essential services to isolated communities, leveraging the Company's strong ties, recognition and trusted relationships.

In addition to supporting institutional programs and government agencies, the Company implements a wide range of direct community initiatives designed to address local needs and enhance quality of life. These efforts, described in Section 1.1.3 – Corporate Social Responsibility, include projects focused on education, entrepreneurship, infrastructure, and humanitarian support. In 2024, the Company collaborated with the Foundation and local partners to open a new rural school, distributed educational materials, and supported the development of women-led micro-businesses in several communities near its exploration targets.

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. Clean water systems were previously installed in nine communities.

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 a 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. 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 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.

  In accordance with the Mining Law, a concession holder is required to pay a concession fee each year and meet minimum expenditure requirements, calculated as follows:

  – 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 2024 the UBR is USD460 (2023 USD450), equal to USD11.50 (2023 USD11.25) per hectare. Subsequent to December 31, 2024 the UBR was increased to USD470 and USD11.75 per hectare for 2025.

  – 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 USD10.00 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. Refer to Section 17 – Subsequent Events for updated information regarding concession fee payment due March 31, 2025:

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[2]	4,486,236
8 (2024)	2,389,286[3]	2,077,640[2]	4,098,026
9 (2025)	2,441,227[4]	2,077,640[5]	[6]
Estimated 10 (2026)	[7]	[7]	[6,7]

[1] Paid

[2] Requirement satisfied.

[3] The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions in Ecuador and the Company reached an agreement with the Ecuadorian authorities for the payment of the annual concession fees for the year 2024. As part of the agreement, the Company has paid US$516,219 and the balance is due on May 1st, 2025. The concessions are in good standing.

[4] Refer to Section 17 – Subsequent Events for updated information regarding concession fee payment due March 31, 2025.

[5] 2025 amounts are estimated maximum Required Expenditures that assumes the current number of concessions are maintained and a continuing fee of USD10.00 per hectare.

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

[7] 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.

- **Advanced Exploration (up to four years).** At any time prior to 60 days before the expiry of the Initial Exploration period, a concession holder can apply for a further four years of Advanced Exploration. The size of each concession must be reduced by a minimum of 10 hectares and the annual concession fee, still payable by March 31 each year, doubles to 5% of the UBR. For 2024 this would equate to USD23.00 per hectare, rising to USD23.50 per hectare for 2025.

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

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

- **Economic Evaluation** (up to two years) of any deposit identified, which can be extended for an additional two-year period; and

- thereafter, the concessions are in the **Exploitation Phase**.

(b) Relinquishment or cancellation of concessions

The size of the concession area constituting the Project may be reduced at the Company's discretion. 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. Vicus' sole asset, the Pluma copper-silver project, covers 9,800 hectares in northeastern Peru and will now be advanced by Palamina. Aurania was granted a 1% NSR royalty and received 350,000 common shares of Palamina Corp. (TSXV: PA, OTCQB: PLMNF) 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.

No additional exploration was conducted during 2024; related expenses amounted to $270 (2023 - $281,715), and certain concessions were not renewed.

3.7.3 France Projects

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.

In Corsica, the Company signed 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. The Company commissioned a French environmental engineering firm to conduct a formal environmental impact study, now underway, covering both terrestrial and marine environments. The study is part of a broader effort to ensure environmentally responsible development.

This project could be an opportunity for France to participate in the local development of strategic resources for the energy transition while treating contamination linked to mining discharges into the sea, without harming the beaches.

4. CONSOLIDATED LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED ON DECEMBER 31, 2024 AND 2023

At year ended December 31, 2024, the Company incurred a loss of $10,833,344 (2023 - $9,971,545). The accumulated deficit as at December 31, 2024 totals $105,412,888 ($98,771,170 at December 31, 2023).

Table 5. Expenditures for the years ended December 31, 2024 and 2023.

For the years ended December 31,	2024	2023
Operating Expenses:		
Exploration expenditures	**$5,463,832**	$5,861,326
Stock-based compensation	**773,793**	553,224
Investor relations	**497,010**	382,932
Office and general	**1,245,997**	908,622
Management fees	**290,277**	282,857
Professional and administration fees	**181,792**	152,565
Regulatory and transfer agent fees	**167,624**	169,212
Amortization	**82,977**	97,901
Total expenses	**$8,703,302**	$8,408,639
Other Expenses (Income)		
Loss on foreign exchange	**694,779**	(93,406)
Interest income	**(39,796)**	(3,857)
Accretion of shareholder contribution	**1,879,518**	1,660,169
Gain on disposal of subsidiary	**(404,459)**	-
Net loss for the period	**10,833,344**	9,971,545
Comprehensive Income or loss		
Other comprehensive income or loss	**22,750**	-
Net loss and comprehensive loss for the period	**10,856,094**	9,971,545
Basic and diluted loss per share	**$0.13**	$0.15
Weighted average common shares outstanding – basic and diluted	**86,083,617**	65,250,051

As the Company's accounting policy is to expense exploration expenditures, the $5,463,832 exploration expenditures of 2024 represent the majority (50%) 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 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$516,019 and the balance is due on May 1, 2025. 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.

During 2024, exploration expenses were focused on geology expenses and field work at Kuri-Yawi and Awacha, as described in Section 3.2 – Exploration of the Lost Cities Project, Ecuador.

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.

	For the year ended December 31,	
	2024	**2023**
ECUADOR		
GEOLOGY/FIELD:		
- Salaries, benefits	**$344,225**	$526,908
- Camp costs, equipment, supplies	**276,240**	245,500
- Project management	**22,889**	233,270
- Travel, accommodation	**45,788**	64,850
- Office (Quito, Macas)	**20,419**	25,304
- Environment, health & safety	**50,616**	163,604
- Water	**59,459**	64,597
- Drilling	**82,993**	475,900
GEOCHEMISTRY	**3,796**	21,664
GEOPHYSICS	**302,313**	-
EXPERT CONSULTANTS	**93,972**	39,689
CORPORATE SOCIAL RESPONSIBILITY – fees, travel, supplies	**376,317**	409,198
LEGAL AND OTHER FOR CONCESSIONS	**23,327**	64,750
CONCESSION MAINTENANCE - permits	**3,237,483**	3,165,349
Total exploration in Ecuador	**$4,939,837**	$5,500,583
PERU (Disposed Subsidiary)		
- Costs related to concession fee applications	**$270**	$241,353
- Technical Consulting	**-**	17,047
- Travel, accommodation	**-**	405
- Legal	**-**	22,910
Total exploration in Peru	**$270**	$281,715
FRANCE		
- Cost related to concession fee application	4,199	-
- Camp cost, equipment, supplies	5,197	-
- Geochemistry	18,607	-
- Project management	237,982	-
- Expert consultants	169,423	36,156
- Travel, accommodation	36,293	12,179
- Legal expenses	52,024	30,693
Total exploration – France	**$523,725**	$79,028
TOTAL EXPLORATION EXPENSE	**$5,463,832**	**$5,861,326**

Other Operating Expenditures

Other operating expenses were managed with discipline during the year, however, certain expenses increased from the previous year due to specific activities. Investor Relations expenses rose from $382,932 in 2023 to $497,010 in 2024, reflecting the Company's expanded participation in international conferences, including events in Saudi Arabia, Germany, Switzerland, and the U.S.A., to strengthen visibility and investor engagement. Stock-based compensation increased from $553,224 to $773,793, primarily due to the timing and valuation of option grants made during the year. Office and General expenses increased from $908,622 to $1,245,997, mainly due to the interest expense related to the agreement for the payment of the annual concession fees for the year 2024.

Table 7: Cash Flow activities

Cash Flow Activities	**Year ended December 31, 2024**	Year ended December 31, 2023
Operating	**$(4,981,616)**	$(8,263,243)
Financing	**6,269,214**	7,114,737
Investing	**(19,656)**	-
Decrease/(increase) in cash during the period	**$1,267,942**	$(1,148,506)

At the year ended December 31, 2024, the Company's cash position decreased by $1,267,942 (Table 7). The main cash outflows for the year consist of exploration and corporate expenditures included in the Operating activity in the cash flow statement and described above in this section.

The sources of financing for the year include the two private placements totaling gross proceeds of $5,429,481, as described in Section 6. Liquidity and Capital Resources, and the debt settlement agreement discussed in Section 7. Indebtedness.

Investing activities include the purchase of some computers and field equipment required for exploration activities.

5. SUMMARY OF QUARTERLY RESULT

Table 8. Summary of quarterly result.

Quarters Ended	Net revenue	Net Loss	Loss per Share
December 31, 2024	-	$2,929,672	$0.03
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

6. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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. Liquidity risk refers to 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 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, 2024, the Company had available cash of $1,593,204 (December 31, 2023 - $325,262) to settle current liabilities of $3,651,556 (December 31, 2023 - $829,072), which include $2,915,113 related to the agreement for the payment of the annual concession fees for the year 2024. Also, the Company has non-current liabilities of $8,213,712 (December 31, 2023 - $10,053,329). See Section 7 – Indebtedness.

All the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the agreement related to the payment of the annual concession fees for the year 2024, and the promissory notes. The Company is obligated to the following contractual maturities of undiscounted cash flows as of December 31, 2024:

Table 9. Summary of financial liabilities.

In Canadian $ equivalents	Carry amount	Contractual cash flows	January 1 ,2025 to December 31, 2025	Thereafter
Accounts payable and accrued liabilities	**$ 3,591,115**	$ 3,591,115	$ 3,591,115	$ -
Promissory note 2017	**588,285**	705,942	-	705,942
Promissory note 2019	**4,078,789**	4,894,546	-	4,894,546
Promissory note June 2023	**1,748,388**	2,098,066	-	2,098,066
Promissory note October 2023	**868,461**	1,042,153	-	1,042,153
Promissory note January 2024	**863,872**	1,036,647	-	1,036,647
Lease liabilities	**126,358**	134,458	66,378	68,080
Total	**$ 11,865,268**	**$ 13,502,927**	**$ 3,657,493**	**$ 9,845,434**

Capital Management

The Company considers the capital that it manages to include share capital, share premium, shares to be issued, warrants, contributed surplus, shareholder contribution and accumulated deficit, which at December 31, 2024 was a deficiency of $9,824,476 (December 31, 2023 – deficiency of 10,172,393). The Company manages its capital structure and makes adjustments to it, based on the funds needed to support the acquisition and exploration of mineral properties. Management does this considering 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, 2024 and 2023.

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.

Capital raises

During the year ended December 31, 2024, the Company completed the following:

Private placement financing (May 2024)
On May 31, 2024, the Company closed a non-brokered private placement financing for 18,716,112 units priced at $0.20 per unit, completed in three tranches on May 9, May 23 and May 31 of 2024 for total gross proceeds of $3,743,222. Each unit consisted of one common share and one full warrant, the warrant having an exercise price of $0.45 per common share and expiring 24 months after the closing date of the applicable tranche. 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 per unit and is exercisable for a period of twenty-four (24) 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 2,303,360 units of this offering. Thomas David Ullrich, a director of the Company, acquired 100,000 units under the offering.

The aggregate cash paid for finders' commissions, regulatory and legal costs was $67,308. A value of $1,004,352 has been assigned to warrants and finder warrants using the Black-Scholes 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.

Private placement financing (December 2024)
On December 23, 2024, the Company closed a non-brokered private placement financing for 3,747,243 units priced at $0.45 per unit, completed in two tranches on December 13, and December 23 of 2024 for total gross proceeds of $1,686,259. Each unit

consisted of one common share and one full warrant, the warrant having an exercise price of $0.75 per common share and expiring 24 months after the closing date of the applicable tranche. The Company paid commissions to certain finders of an aggregate of $4,536 in cash and 10,080 finder warrants. Each finder warrant entitles the holder to purchase one unit at $0.45 per unit and is exercisable for a period of twenty-four (24) 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 888,889 units of this offering.

The aggregate cash paid for finders' commissions, regulatory and legal costs was $39,879. A value of $437,798 has been assigned to warrants and finder warrants using the Black-Scholes 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 101.48% and 101.24%, respectively, and a risk-free rate of 2.98% and 3.05%, respectively. Volatility is based on the historical trading of the Company's shares.

Non-cash debt settlements (May and December 2024)
On April 24, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting $2,072,165 of principal and interests on the loans dated June 10, 2022, and July 29, 2022, into 10,360,825 common shares of the Company at a price of $0.20 per share. The completion of this debt settlement was announced on May 9, 2024.

On November 25, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting $1,740,616.36 of principal and interests on the loan dated March 11, 2022, into 3,868,036 common shares of the Company at a price of $0.45 per share. The completion of this debt settlement was announced on December 23, 2024.

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 exploration projects, to meet ongoing financial obligations, including the agreement for the payment of the annual concession fees for the year 2024 and corresponding interests, and discharge the Company's liabilities in the normal course of business. The Company is considering different sources of potential funding to fulfill its contractual obligations 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. There can be no assurance that additional financing will be available on acceptable terms, or at all, which could impact the Company's ability to continue its planned activities. Refer to Section 15 – Risks and Uncertainties.

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, 2024 (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 interest rate benefit on the promissory notes is recognized 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 settlements

On April 24, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting $2,072,165— including $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.

On November 25, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting $1,740,616—including $1,652,169 in principal and $88,448 in accumulated interest on the loan dated March 11, 2022—into 3,868,036 common shares of the Company at a price of $0.45 per share. The completion of this debt settlement was announced on December 23, 2024.

Table 10. Summary of indebtedness relating to promissory note issued in 2017-2023 at December 31, 2024 and 2023.

For the year ended December 31,	2024	2023
Initial carrying amount	**$9,926,970**	$ 10,064,229
Accretion expense	**1,738,023**	1,660,169
Debt settlement	**(3,254,794)**	-
Interest rate benefit recognized as shareholder contribution	**(1,573,305)**	(1,662,631)
Foreign exchange translation gain	**447,029**	(134,797)
Balance, end of year	**$7,283,923**	$ 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 interest rate benefit 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 2024 at December 31, 2024.

For the year ended December 31,	2024
Total proceeds	**$1,000,000**
Initial shareholder contribution on initial recognition	(150,000)
Initial carrying amount	**850,000**
Accretion expense	141,495
Interest rate benefit recognized as shareholder contribution	(127,623)
Balance, end of year	**$863,872**

Lease Liabilities

The Company has a lease related to an office for the operations in Toronto. The office lease agreement started in September 2022, including a storage fixed monthly fee of $623. However, during 2023 the landlord decided to sell the building where the storage was located, releasing the Company's liability related to the warehouse.

Table 12. Lease liabilities

Lease Liabilities	
Balance at December 31, 2022	**$258,586**
Interest expense	12,158
Cancellation of warehouse	(26,130)
Payments	(62,974)
Balance at December 31, 2023	**$181,640**
Interest expense	9,394
Payments	(64,676)
Lease liabilities as at December 31, 2024	**$126,358**

Table 13. Classification of lease liabilities by maturity

Lease Liabilities	
Current lease liability at year end	$60,441
Non-current lease liability at year end	$65,917
Lease liabilities as at December 31, 2024	**$126,358**

8. EQUITY

Stock Options – Activity during the years ended December 31, 2024 and 2023:

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

	Number of Options	Weighted Average Exercise Price
Balance – December 31, 2022	**4,119,500**	**$2.31**
Granted	2,287,968	0.33
Expired	(1,246,000)	2.93
Balance – December 31, 2023	**5,161,468**	**$1.28**
Granted	2,759,000	0.49
Expired	(581,000)	2.76
Balance – December 31,2024	**7,339,468**	**$0.86**

The directors of the Company agreed to receive their director fees in stock options in lieu of cash for 2024. Over the year, an aggregate of 244,000 stock options were granted to the Directors of the Company in lieu of their director fees across four quarters at varying exercise prices, reflecting the market conditions at the time of each grant. All of them are exercisable for three years from the date of grant and vested immediately:

- First quarter (March 28, 2024): 94,000 stock options, exercise price $0.25, fair value $15,040.
- Second quarter (June 28, 2024): 54,000 stock options, exercise price $0.46, fair value $16,200.
- Third quarter (September 30, 2024): 42,000 stock options, exercise price $0.54, fair value $15,120.
- Fourth quarter (December 31, 2024): 54,000 stock options, exercise price $0.43, fair value $15,120.

The stock option fair values were determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 105%, 108%, 110%, and 108%, respectively, and risk-free rate of 4.16%, 4.04%, 3.01%, and 2.94%, respectively.

Additionally, an aggregate of 2,100,000 stock options were granted on June 28, 2024, to directors, officers, employees and consultants in accordance with the Company's Stock Option Plan. The stock options have an exercise price of $0.46, are exercisable for five years from the date of grant, and vest in three equal tranches: one-third immediately on the grant date, one-third one year from the grant date, and one-third two years from the grant date. Vesting is subject to the optionee maintaining continuous status as director, officer, employee or consultant of the Company. A fair value of $693,000 was determined using the Black-Scholes 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%.

On October 30, 2024, the Company granted an aggregate of 215,000 stock options to certain 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 $0.70, are exercisable for three years from the date of grant, and vesting is subject to certain goals accomplishment. A fair value of $98,900 was determined using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 110%, and risk-free rate of 3.11%.

On October 30, 2024, the Company granted 200,000 stock options to an officer 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 $0.70, are exercisable for five years from the date of grant, and vest in three equal tranches: one-third immediately on the grant date, one-third one year from the grant date, and one-third two years from the grant date. Vesting is subject to the optionee maintaining continuous status as officer of the Company. A fair value of $102,000 was determined using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 97%, and risk-free rate of 3.05%.

During the year 2024, a total of 581,000 stock options expired unexercised, including 24,000 options from January 16, 2019, valued at $60,960; 77,000 options from June 28, 2019, valued at $170,940 and 480,000 options from October 24, 2019, valued at $900,601.

Subsequent to the end of the reporting year, 125,000 stock options expired unexercised on February 7, 2025. On February 24, 2025, and April 24, 2025, the Company granted 20,000 and 130,000 stock options exercisable at $0.37 and at $0.27, respectively, to two officers of the Company, expiring after five years and vesting one-third immediately, one-third one year from the date of grant, and one-third vesting two years after the date of grant. Additionally, the directors of the Company agreed to receive their director fees for 2025 in stock options in lieu of cash and on March 31, 2025, the Company granted a total of 64,000 stock options exercisable at $0.36 in lieu of their director fees for the first quarter of 2025, expiring after three years and vesting immediately.

As of the date of this MD&A, the following stock options were outstanding and exercisable.

Table 15. Detail of stock options issued, exercisable and estimated fair value as of the date of this MD&A.

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
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	378,400
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	0.46	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	73,136
35,000	35,000	0.84	18-Aug-27	14,163
42,000	42,000	0.54	30-Sep-27	15,120
215,000	71,667	0.70	30-Oct-27	49,922
54,000	54,000	0.43	31-Dec-27	15,120
64,000	64,000	0.36	31-Mar-28	15,360
1,990,000	1,326,667	0.33	30-Jun-28	419,923
2,100,000	700,000	0.46	28-Jun-29	405,674
200,000	66,667	0.70	30-Oct-29	42,663
20,000	6,667	0.37	24-Feb-30	5,400
130,000	43,333	0.27	24-Apr-30	24,700
7,428,468	**4,988,469**	**$0.81**		**3,358,187**

The weighted average contractual life remaining for stock options as of the date of this MD&A is 2.96 years.

Restricted Stock Units ("RSUs")

RSUs are granted to encourage employee performance and retention. The RSUs are awarded based on performance criteria and vest over three years in equal instalments. On June 14, 2023, the Company's RSU Plan was amended to permit settlement of RSUs in either cash or common shares in the sole discretion of the Company after an award of RSU's have vested. For each RSU that vests a common share in the company is issued. As of the end of the year, all RSUs vested in full and are presented as shares to be issued. Activity during the years ended December 31, 2024 and 2023:

Table 16. Summary of RSU's activity and estimated fair value.

	Number of RSUs	Weighted Average Fair Value on Grant Date
Balance – December 31, 2022	**57,800**	**$3.46**
Forfeited RSUs	(21,000)	$3.46
Shares to be issued for RSUs	(36,800)	3.46
Balance – December 31,2023	**-**	**$ -**
Balance - December 31,2024	**-**	**$ -**

Shares to be Issued – Activity during the years ended December 31, 2024 and 2023:

Table 17. Summary of Shares to be Issued ("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
Balance – December 31, 2022	**334,100**	**$2.89**	**$979,814**
STBI for vested RSUs	36,800	3.46	127,328
STBI expired	(81,200)	2.89	(234,614)
Balance – December 31,2023	**289,700**	**$3.01**	**$872,528**
STBI expired	(105,400)	3.05	(321,780)
Balance - December 31,2024	**184,300**	**$2.99**	**$550,748**

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 common share 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 $1,004,352 has been assigned to the warrants and finder warrants using the Black-Scholes 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.

On December 23, 2024, the Company closed a non-brokered private placement financing for 3,747,243 units priced at $0.45 per unit, completed in two tranches on December 13, and December 23 of 2024. Each unit consisted of one common share and one full warrant, the warrant having an exercise price of $0.75 per common share and expiring 24 months after the closing date of the applicable tranche. The Company paid commissions to certain finders of an aggregate of $4,536 in cash and 10,080 finder warrants. Each finder warrant entitles the holder to purchase one unit at $0.45 per unit and is exercisable for a period of twenty-four (24) months from the closing of the first tranche. A gross value of $437,798 has been assigned to warrants and finder warrants using the Black-Scholes 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 101.48% and 101.24%, respectively, and a risk-free rate of 2.98% and 3.05%, respectively. Volatility is based on the historical trading of the Company's shares.

On October 15, 2024, a total of 4,444 warrants were exercised at a price of $0.75 per common share of the Company.

The following summarizes the warrants and agents' warrants activity and outstanding warrants and agents' warrants for the year ended December 31, 2024:

Table 18. Summary of warrants and Agents' warrants activity and estimated fair value.

	Number of Warrants/ Agents' Warrants	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2022	**14,625,792**	**$2.08**	**$5,715,767**
Issued warrants private placement	9,253,811	$0.75	1,274,857
Finders warrants (Exercisable into units*)	52,252	$0.46	7,353
Balance – December 31, 2023	**23,931,855**	**$1.56**	**$6,997,977**
Issued warrants private placement	22,463,355	0.50	1,411,679
Finders warrants (Exercisable into units*)	27,230	0.50	2,102
Exercised	(4,444)	0.75	(513)
Expired	(7,303,293)	3.45	(2,737,345)
Balance - December 31, 2024	**39,114,703**	**$0.83**	**$5,673,900**

* Each finder warrant entitles the holder to purchase one unit at the issue price ($0.46 per unit for 2023 and $0.20 and $0.45 per unit for 2024). Each unit consisted of one common share and one full warrant.

On January 29, 2024, the Company announced the extension of the exercise period for a total of 1,996,653 unlisted common share purchase warrants, all of which were exercisable at $1.25 per common share and would otherwise expire on March 28, 2024, or March 30, 2024. After the end of the reporting year, the Company announced an extension for another year and the new expire dates are March 28, 2026, and March 30, 2026.

On April 1, 2024, a total of 3,061,129 tradable warrants, listed on the TSX Venture Exchange under the symbol ARU.WT.A, expired unexercised. Additionally, 2,414,732 unlisted warrants expired without being exercised on November 29, 2024, and 1,827,432 unlisted warrants expired unexercised on December 22, 2024.

Subsequent to December 31, 2024, on April 17, the Company announced the closure of the first tranche of the non-brokered private placement financing announced on April 3, 2025. An aggregate of 3,182,899 units were sold under the first tranche for total gross proceeds of $954,870. Each unit consisting of one common share of the Company and one common share purchase warrant, the warrant having and exercise price of $0.55 per common share and an expiry date of two years after closing of the first tranche. See Section 17 – Subsequent Events for more details.

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

Table 19. Detail of warrants outstanding.

Expiry date	Number of Warrants	Exercise Price
March 23, 2026	7,818,505	0.75
March 28, 2026	1,586,653	1.25
March 30, 2026	410,000	1.25
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
December 13, 2026	2,736,579	0.75
December 23, 2026	1,020,744	0.75
April 17, 2027	3,182,899	0.55
Balance – April 24, 2025	**42,297,602**	**$0.81**

The weighted average contractual life for warrants outstanding as of the date of this MD&A is 1.20 years.

9. KEY MANAGEMENT COMPENSATION EXPENSE

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company. The Company has identified its directors and certain officers as its key management personnel.

During the year ended December 31, 2024 and 2023, the compensation for key management of the Company was as follows:

Table 20. Summary of key management compensation expense

For the year ended December 31,	2024	2023
Salary - corporate (1)	**$143,157**	$152,284
Salary – technical (2)	**260,871**	233,270
Stock-based compensation for key management (3)	**556,058**	430,212
Total key management compensation expense	**$960,086**	$815,766

(1) Salary - corporate includes 100% CFO fees.
(2) Salary - technical includes 100% of the compensation paid to the Vice President, Exploration.
(3) This figure is the estimated expense of vested stock options and RSUs granted to key management and directors during the years ended December 31, 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 years ended December 31, 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 year ended December 31, 2024, $nil (2023- $6,563) was passed to U3O8 Corp., whose Director, Dr. Richard Spencer, was also Aurania's President and Director until his departure in the first quarter of 2022, and Dr. Keith Barron, Director, Chairman and CEO of Aurania was also Chairman and Director of U3O8 Corp. As at December 31, 2024 and 2023 $nil remained receivable.

(b) During the year ended December 31, 2024, the Company incurred expenses totaling $91,907 (2023 - $58,399) for its operations in France. These expenses were paid by Dr. Keith Barron, Chairman and CEO of the Company. As at December 31, 2024, this amount remained as an account payable due to Dr. Barron. This amount is unsecured, non-interest bearing, and due on demand.

For other related party transactions, refer to Section 1.4.2 – Related party loans, Section 3.7.1(c) – Exploration entitlements, Section 6 – Liquidity and Capital Resources, Section 7 – Indebtedness, Section 8 – Equity, Section 9 – Key Management Compensation Expense, Section 10 – Related Party Transactions 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. There is not a proposed transaction as at the date of this document.

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

New and Amended IFRS standards recently adopted
During the year ended December 31, 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 1 and IFRS 10. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

New and Amended IFRS standards not yet effective
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.

Lack of Exchangeability (Amendments to IAS 21)
In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)
In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and 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. 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 and France
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.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 a party to certain management contracts. Effective January 1, 2025, the Company transitioned its CFO from a fractional role to a full-time employee under a new employment agreement with an indefinite term and standard severance provisions, including termination without cause or in the event of a change of control. Prior to this, the CFO served under a corporate services agreement entered into on June 30, 2022, with services billed at $230 per hour based on hours worked. Average monthly fees during 2024 were approximately $13,000. The agreement was initially for a twelve-month term and subsequently renewed for successive periods of six months until December 31, 2024.

As at the date of this document, the Company's management contracts collectively include minimum commitments of approximately $1,240,000, 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 $254,000 would be due. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements.

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 note 10 – Lease liabilities.

17. SUBSEQUENT EVENTS

Warrants
On February 20, 2025, the Company announced the extension of the exercise period for a total of 1,996,653 unlisted common share purchase warrants, all of which were exercisable at $1.25 per common share and would otherwise expire on March 28, 2025 and March 30, 2025 (collectively, the "Warrants"). The Warrants were originally issued pursuant to a non-brokered private placement that closed in two tranches: 1,586,653 Warrants were issued in the first tranche on March 28, 2022 (the "First Tranche") and 410,000 Warrants were issued in the second tranche on March 30, 2022 (the "Second Tranche"). None of the Warrants have been exercised. At the time of issuance, these Warrants had expiry dates of March 28, 2024 and March 30, 2024 respectively and they were extended by one year as announced on March 29, 2024.

Stock options
Subsequent to December 31, 2024, 125,000 stock options expired unexercised on February 7, 2025.

On February 25, 2025, the Company announced the appointment of Ms. Carolina Lasso as Vice President, Corporate Social Responsibility and granted 20,000 stock options exercisable at $0.37 each. The options have a 5-year expiry term and shall vest one-third immediately, one-third one year from the date of grant, and one-third vesting two years after the date of grant.

The directors of the Company agreed to receive their director fees for 2025 in stock options in lieu of cash. The Company granted a total of 64,000 stock options exercisable at $0.36 in lieu of their director fees for the first quarter of 2025, expiring after three years and vesting immediately.

On April 24, 2025, the Company appointed Ms. Carolyn Muir as Corporate Secretary of the Corporation, in addition to her role as Vice President, Corporate Development & Investor Relations and granted 130,000 stock options exercisable at $0.27 each. The options have a 5-year expiry term and shall vest one-third immediately, one-third one year from the date of grant, and one-third vesting two years after the date of grant.

Concession Fee Payment
Subsequent to December 31, 2024, the Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions in Ecuador. The Company also filed a request to enter into an agreement for payment of the associated annual concession fees. By filing the concession renewals prior to the March 31, 2025 deadline, the Company maintains its property in Ecuador in good standing while an agreement is finalized.

Future Obligations
The Company continues to evaluate financing and strategic alternatives to support its ongoing operations and meet upcoming obligations, including the balance due on May 1, 2025, related to the annual mineral concession fees for the 2024 period.

Private Placement
On April 3, 2025, the Company announced its intention to complete a non-brokered private placement financing of up to 5,000,000 units of the Company at a price of $0.30 per unit for total gross proceeds of up to $1,500,000. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.55 per common share for a period of 24 months following the closing of the offering.

On April 17, the Company announced the closure of the first tranche of the non-brokered private placement financing. An aggregate of 3,182,899 units were sold under the first tranche for total gross proceeds of $954,870. Each unit consisting of one common share of the Company and one common share purchase warrant, the warrant having and exercise price of $0.55 per common share and an expiry date of two years after closing of the first tranche. Dr. Keith Barron subscribed for 1,000,000 Units of this offering.

Respectively for warrants of the first tranche, a value of $207,831 has been assigned using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0%, expected volatility of 90.79%, a risk-free rate of 2.52% and an expected life of 2 years. Volatility is based on the historical trading of the Company’s shares. There can be no assurance that there will be future tranches of the private placement closed.

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 21. Summary of share data.

As at	Common Shares	Shares to be issued	Warrants	Agents’ 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	184,300	39,302,461	301,527	7,308,468	-	143,645,430
September 30, 2024	96,548,674	184,300	39,302,461	301,527	7,350,468	-	143,687,430
December 31, 2024	104,168,397	184,300	38,805,106	309,597	7,339,468	-	150,806,868
April 24, 2025	107,351,296	184,300	41,988,005	309,597	7,428,468	-	157,261,666

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 and Corporate Secretary
Carolina Lasso – Vice President - Corporate Social Responsibility

Corporate Office

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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.