



AURANIA

AURANIA RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Aurania Resources Ltd.

Opinion

We have audited the consolidated financial statements of Aurania Resources Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of changes in equity (deficiency), consolidated statements of loss and comprehensive loss and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has working capital deficiency and accumulated deficit as at December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Discount rate and accounting for the promissory notes</i>	

The Company has received support from its primary shareholder by means Promissory Notes ("Notes") that bear an annual interest rate of 2%. This coupon rate is below the market rate of interest the Company would pay on a loan to an arm's length party. Management has estimated the fair market rate of interest to range from 15% to 20%, and accordingly, the benefit received by the Company from the low coupon interest rate is recorded in equity as a shareholder contribution.

In evaluating the Notes, management has utilized the above estimated discount rate, which is established by reference to the Company's estimated incremental borrowing Rate and comparable companies. Determining which borrowing rates to apply in this assessment necessitates significant assumptions. As a result, we have classified the discount rate estimate as a key audit matter.

The disclosures related to the accounting for the Notes are provided in Notes 4 and 10.

In this regard, our audit procedures included:

- Review management's estimate of the market rate of interest and the related shareholder contribution.
- Conducted a search for comparable companies and instruments to assess the reasonableness of the interest rate used in the Notes.
- Verified that the terms of the debt financings and management's assumptions utilized in the calculation are properly disclosed in the notes to the financial statements.
- Examined the board of directors' authorization on the financings to ensure that they have been appropriately approved.
- Sent confirmations to the lender to verify the outstanding balances at the year-end.
- Reviewed the adequacy of financial statements note disclosure.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Di Rito.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 24, 2025

AURANIA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT DECEMBER 31,	2024	2023
ASSETS		
Current assets		
Cash	1,593,204	\$325,262
Prepaid expenses	158,630	64,092
Receivables	81,040	84,415
Total current assets	1,832,874	473,769
Non-current asset		
Long-term investments (note 6)	35,000	-
Property and equipment (note 7)	65,334	74,863
Right of use assets (note 8)	107,584	161,376
TOTAL ASSETS	2,040,792	\$710,008
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 17)	3,591,115	\$773,791
Current lease liabilities (note 11)	60,441	55,281
Total current liabilities	3,651,556	829,072
Non-current liabilities		
Promissory notes (note 10)	8,147,795	9,926,970
Lease liabilities (note 11)	65,917	126,359
TOTAL LIABILITIES	11,865,268	10,882,401
SHAREHOLDERS' (DEFICIENCY)		
Share capital (note 12)	1,043	\$675
Share premium (note 12)	78,623,995	71,458,341
Shares to be issued (note 13)	550,748	872,528
Warrants (note 14)	5,673,900	6,997,977
Contributed surplus and shareholder contribution (notes 10 and 13)	10,761,476	9,269,256
Accumulated other comprehensive income or loss	(22,750)	-
Accumulated deficit	(105,412,888)	(98,771,170)
Total shareholders' (deficiency)	(9,824,476)	(10,172,393)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)	2,040,792	\$710,008

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 9 and 20)
Subsequent events (note 22)

APPROVED BY THE BOARD:

Signed, "Jonathan Kagan", Director

Signed, "Keith M. Barron", Director

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

AURANIA RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	ISSUED CAPITAL					RESERVES			
	Common Shares #	Share Capital	Share Premium	Shares to be issued	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income or Loss	Accumulated Deficit	Total Equity Surplus (Deficiency)
Balance – December 31, 2022	58,217,926	\$582	\$68,575,091	\$979,814	\$5,715,767	\$9,217,439	\$ -	\$(91,520,949)	\$(7,032,256)
Shares issued for private placements - March 2023 (note 12(v))	9,253,811	93	4,256,661	-	-	-	-	-	4,256,754
Less share issue cost (note 12(v))	-	-	(63,289)	-	(27,912)	-	-	-	(91,201)
Warrants issued for private placement - March 2023 (notes 14 and 12(v))	-	-	(1,310,122)	-	1,310,122	-	-	-	-
Expiry of stock options (note 13)	-	-	-	-	-	(2,486,710)	-	2,486,710	-
Forfeiture of RSUs (note 13)	-	-	-	-	-	(72,660)	-	-	(72,660)
Shares to be issued for RSUs (note 13)	-	-	-	127,328	-	(127,328)	-	-	-
Shares to be issued expired (note 13)	-	-	-	(234,614)	-	-	-	234,614	-
Stock based compensation – RSUs compensation (note 13)	-	-	-	-	-	42,658	-	-	42,658
Stock-based compensation - Option compensation (note 13)	-	-	-	-	-	583,226	-	-	583,226
Shareholder contribution (note 10)	-	-	-	-	-	2,112,631	-	-	2,112,631
Net loss for the year	-	-	-	-	-	-	-	(9,971,545)	(9,971,545)
Balance – December 31, 2023	67,471,737	\$675	\$71,458,341	\$872,528	\$6,997,977	\$9,269,256	\$ -	\$(98,771,170)	\$(10,172,393)
Shares issued for private placements - May 2024 (note 12(i))	18,716,112	187	3,743,035	-	-	-	-	-	3,743,222
Less share issue cost (note 12(i))	-	-	(49,265)	-	(18,043)	-	-	-	(67,308)
Shares issued for private placements - Dec 2024 (note 12(ii))	3,747,243	37	1,686,222	-	-	-	-	-	1,686,259
Less share issue cost (note 12(ii))	-	-	(29,554)	-	(10,326)	-	-	-	(39,880)
Warrants issued for private placement - May 2024 (notes 14 and 12(i))	-	-	(1,004,352)	-	1,004,352	-	-	-	-
Warrants issued for private placement - Dec 2024 (notes 14 and 12(ii))	-	-	(437,798)	-	437,798	-	-	-	-
Exercised Warrants (note 14)	4,444	1	3,845	-	(513)	-	-	-	3,333
Expiry of warrants (note 14)	-	-	-	-	(2,737,345)	-	-	2,737,345	-
Expiry of stock options (note 13(ii))	-	-	-	-	-	(1,132,501)	-	1,132,501	-
Shares to be issued expired (note 13)	-	-	-	(321,780)	-	-	-	321,780	-
Stock based compensation – Option compensation (note 13(iii))	-	-	-	-	-	773,793	-	-	773,793
Shareholder contribution (note 10)	-	-	-	-	-	1,850,928	-	-	1,850,928
Shares issued on settlement of debt - May 2024 (note 10)	10,360,825	104	1,772,026	-	-	-	-	-	1,772,130
Shares issued on settlement of debt - Dec 2024 (note 10)	3,868,036	39	1,482,625	-	-	-	-	-	1,482,664
Less share issue cost (note 10)	-	-	(1,130)	-	-	-	-	-	(1,130)
Comprehensive (gain) or loss for the year	-	-	-	-	-	-	(22,750)	(10,833,344)	(10,856,094)
Balance – December 31, 2024	104,168,397	\$1,043	\$78,623,995	\$550,748	\$5,673,900	\$10,761,476	\$(22,750)	\$(105,412,888)	\$(9,824,476)

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

AURANIA RESOURCES LTD.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS***(Expressed in Canadian Dollars)*

For the years ended December 31,	2024	2023
Operating Expenses:		
Exploration expenditures (notes 9, 15, 16, 17 and 18)	\$5,463,832	\$5,861,326
Stock-based compensation (notes 13 and 15)	773,793	553,224
Investor relations (note 18)	497,010	382,932
Office and general (note 18)	1,245,997	908,622
Management fees (note 15)	290,277	282,857
Professional and administration fees	181,792	152,565
Regulatory and transfer agent fees	167,624	169,212
Amortization (notes 7 and 8)	82,977	97,901
Total expenses	\$8,703,302	\$8,408,639
Other Expenses (Income)		
Loss (gain) on foreign exchange	694,779	(93,406)
Interest income	(39,796)	(3,857)
Accretion of shareholder contribution (note 10)	1,879,518	1,660,169
Gain on disposal of subsidiary (note 6)	(404,459)	-
Net loss for the year	10,833,344	\$9,971,545
Comprehensive Income or Loss		
Other comprehensive loss (note 6)	22,750	-
Net loss and comprehensive income or loss for the year	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

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

AURANIA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

For the years ended December 31,	2024	2023
Cash flows from the following activities:		
Operating activities:		
Net loss for the year	\$(10,833,344)	\$(9,971,545)
Adjustment for:		
Amortization (notes 7 and 8)	82,977	97,901
Stock-based compensation (notes 13 and 15)	773,793	553,224
Accretion of shareholder contribution (note 10)	1,879,518	1,660,169
Foreign exchange loss (gain)	447,029	(134,797)
Gain on disposal of subsidiary (note 6)	(404,459)	-
Net change in non-cash working capital:		
Prepaid expenses	(94,538)	367,347
Receivables	3,375	3,608
Accounts payable and accrued liabilities	3,164,033	(839,150)
Net cash used in operating activities	(4,981,616)	(8,263,243)
Financing activities:		
Shares issued for private placement (note 12)	5,429,481	4,256,754
Less share issue costs (note 12)	(107,188)	(91,201)
Shares issued for warrants exercised (note 14)	3,333	-
Less share issue costs (note 14)	(1,130)	-
Issuance of promissory notes (note 10)	1,000,000	3,000,000
Principal payments on lease liabilities (note 11)	(55,282)	(50,816)
Net cash provided by financing activities	6,269,214	7,114,737
Investing activity:		
Purchase of property and equipment (note 7)	(19,656)	-
Net cash used in investing activities	(19,656)	-
Increase (decrease) in cash	1,267,942	(1,148,506)
Cash – beginning of year	325,262	1,473,768
Cash – end of period	\$1,593,204	\$325,262
Supplemental cash flow information		
Interest paid	9,395	12,552
Non-cash items:		
Shareholder contribution	1,850,928	2,112,631
Debt settlement in shares	3,254,794	-
Lease cancellations	-	26,130
Non-cash share issuance costs	2,101	7,354
Non-cash consideration received (shares) (note 6)	57,750	-

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

AURANIA RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE

Aurania Resources Ltd. (the "Company") was incorporated under the laws of Bermuda on June 26, 2007 pursuant to the provisions of The Companies Act 1981 (Bermuda). On February 18, 2011, the Company registered extra-provincially in the Province of Ontario, Canada. The registered head office of the Company is located at 31 Victoria Street, Hamilton, HM10, Bermuda. The corporate office is located at Ste. 1800 – 8 King Street East, Toronto, ON M5C 1B5.

The Company is a junior exploration mining company engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals. On May 26, 2017, the Company acquired Ecuasolidus, S.A. ("ESA"), a private Ecuador-based company, owned by the principal shareholder of the Company, in order to acquire all the rights, title and interest in 42 mineral exploration licenses in Ecuador (the "Lost Cities – Cutucu Project" or the "Project"). See note 9 – Mineral Property Interests.

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

Although the Company has taken steps to verify title to the properties on which it is conducting exploration activities and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements. See note 9 – Mineral Property Interests regarding the current status of the Company's permits and licenses. The Company's assets are located in Ecuador and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

Geopolitical turbulence continued to shape the mining and metals markets, and global nonferrous exploration budgets declined during 2024, fostering a cautious investment landscape. Higher commodity prices haven't helped juniors raise capital. These factors, combined with economic uncertainties, may impact the Company's ability to secure future funding and execute its exploration projects as planned. Should these risks materialize into actual events or circumstances, the Company's operations could be materially and adversely affected, the share price of the Company's securities could decline, and investors may lose all or part of their investment.

As at December 31, 2024, the Company had current assets \$1,832,874 (December 31, 2023 - \$473,769) to fund current liabilities of \$3,651,556 (December 31, 2023 - \$829,072), and long-term liabilities of \$8,213,712 (December 31, 2023 - \$10,053,329). Further, the Company had an accumulated deficit of \$105,412,888 (December 31, 2023 - \$98,771,170) and a working capital deficiency of \$1,818,682 (December 31, 2023 – deficiency of \$355,303).

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

AURANIA RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

These annual consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities, which are measured at fair value.

3. 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.

AURANIA RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The annual consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and have been consistently applied to all the years presented unless otherwise indicated. These annual consolidated financial statements were approved and authorized by the Board of Directors on April 24, 2025.

(b) Basis of consolidation

Subsidiaries

The annual consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries: ESA, incorporated under the laws of Ecuador, Breizh Ressources, incorporated under the laws of France, and Corsica Ressources, incorporated under the laws of France. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date that control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

As at June 30, 2024, AuroVallis Sarl (“AVS”), a wholly-owned subsidiary incorporated under the laws of Switzerland which had been dormant for many years, completed its lengthy liquidation process. The only asset of the subsidiary was a cash balance of CHF1,059 which was transferred to Aurania. This final liquidation does not affect the consolidated numbers and does not affect the comparison of numbers with previous years.

These annual consolidated financial statements include the Company’s interest in Sociedad Minera Vicus Exploraciones S.A.C, incorporated under the laws of Peru, until the disposition of this interest as outlined in note 6 – Disposal of Subsidiary.

Transactions eliminated on consolidation

All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Accounting policies of subsidiaries are consistent with those of the Company.

Functional and reporting currency

Items included in the annual consolidated financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar (“CAD” or “\$”), which is also the reporting currency of the Company. All financial information has been presented in CAD, unless otherwise stated and “USD” represents United States dollars, “CHF” represents Swiss francs, “SOL” represents Peruvian SOL, and “EUR” represents European Union euro. All amounts have been rounded to the nearest dollar, unless otherwise stated.

Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment) or by its geographical location (geographical segment), which is subject to risks and rewards different from those of other segments. The Company operated in one business segment –mineral exploration– and across three

AURANIA RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

geographical segments during the year ended December 31, 2024: Ecuador, Peru (until September 23, 2024), and France. In the prior year, the Company operated in two geographical segments: Ecuador and Peru.

(c) Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's Management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimation of decommissioning and restoration costs and the timing of expenditure

Management is not aware of any material restoration, rehabilitation and environmental provisions as at December 31, 2024 and 2023. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated at least annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of a mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Share-based payments and warrants

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

Income, value added, withholding and other taxes

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

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such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

Valuation of right of use asset and lease liability

Critical judgements are required in the application of IFRS 16, including identifying whether a contract (or part of a contract) includes a lease and determining whether it is reasonably certain that an extension or termination option will be exercised. Sources of estimation uncertainty include estimation of the lease term, determination of an appropriate discount rate and assessment of whether a ROU asset is impaired. Such judgments, estimates and assumptions are inherently uncertain, and changes in these assumptions affect the fair value estimates.

The Company's lease liability is valued using the present value of future cash flows. This method is based on underlying factors such as the current interest rate and the Company's ability to make all lease payments on a timely basis. Changes in the inputs to the calculation could impact the carrying value of the lease liability and the amount of interest expense recognized in profit or loss.

Capital contribution from shareholder loan

The promissory notes are issued to a significant shareholder with a below-market rate loan, and the benefit is recorded as a capital contribution within equity. Management has determined the market rate generally based on those of comparable entities to set the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements. See note 10 - Promissory notes.

See note 20 – Commitments and Contingencies.

(d) Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit and loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

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Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income (loss) and is not reclassified to profit or loss. The Company's only financial assets measured at FVOCI are Palamina's common shares as outlined in note 6 – Disposal of Subsidiary.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss. The Company measures cash and receivables at amortized cost.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are cash and amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and promissory notes, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest and accretion expense in the consolidated statements of loss.

Subsequent measurement – financial liabilities at FVPL

Financial liabilities measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in gain (loss) in the consolidated statements of loss.

Fair value of financial instruments

The Company measures fair value in accordance with IFRS 13 Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or

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paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements

- Level 1 — valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 — valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 — valuation techniques with significant unobservable market inputs.

(e) Exploration and evaluation expenditures

All acquisition and exploration costs are charged to operations in the period incurred until such time as it has been determined that a project is commercially viable and technically feasible, in which case, subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment. If a project is successful, the capitalized amounts related to the project are depleted on a unit-of-production method based on proven and probable reserves. If it is determined that the mineral property has no future economic value, then the related capitalized costs will be expensed.

Costs include the cash consideration and the fair market value of shares issued for the acquisition of properties. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

(f) Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset and the operating license conditions. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a charge to operations. The periodic unwinding of the discount is recognized in consolidated statements of loss as an accretion expense. Management is not aware of any significant decommissioning or restoration obligations at December 31, 2024 and 2023.

(g) Foreign currency translation

The reporting and functional currency of the Company and its subsidiaries is the Canadian dollar. Foreign currency transactions are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities are translated using the exchange rate at the reporting date.
- (ii) Non-monetary assets and liabilities are translated at historic rates.
- (iii) Revenues and expenses are translated at the average rate of exchange at the time of the transaction.
- (iv) Exchange gains and losses arising from the translation of monetary items are taken directly to the consolidated statement of loss.

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(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount of the asset, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in the consolidated statement of loss.

(i) Basic and diluted loss per share

Basic and diluted loss per share is calculated using the weighted average number of common shares outstanding for the period. Diluted loss per share reflects the dilution that would occur if outstanding warrants and options were converted into common shares. In order to determine diluted loss per share any proceeds from the exercise of dilutive warrants and options would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The Company's diluted loss per share for the periods presented does not include the effect of the outstanding stock options, warrants and restricted share units as they are anti-dilutive.

(j) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 13 – Stock-based compensation.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Upon vesting of RSU's, the Company transfers the accumulated expense from contributed surplus to shares to be issued. When the vested RSUs are settled by issuing shares, the Company adjusts the common shares number and share premium accounts to reflect the issuance of shares. This includes transfers from contributed capital or shares to be issued to share premium.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options that expire after vesting, the recorded value is transferred to accumulated deficit.

(k) Income taxes

Income tax for the periods presented comprises current and deferred tax. Income tax is recognized in consolidated statements of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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Current tax

This is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. Deferred income tax liabilities and assets are not recognized for taxable temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(l) Property and equipment and amortization

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. The assets' residual values, useful lives and methods of amortization are reviewed at each reporting period and adjusted prospectively if appropriate.

- Furniture and fixtures - 30% straight line
- Field equipment – 30% straight line
- Computer equipment - 30% straight line
- Leasehold improvements – 10% straight line

Amortization of property and equipment related to exploration activities has been expensed to the consolidated statement of loss. Equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in consolidated statements of loss.

When parts of an item of equipment have different useful lives, the components are accounted for as separate items of equipment. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in consolidated statements of loss.

(m) Leasing

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, each operation's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect lease payments made.
- Remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, when there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or when the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the Company.
- An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for plant and equipment, from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and leases of low-value assets are expensed as they are incurred in profit or loss. Short-term leases are leases with a lease term of twelve months or less.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

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 – a deficiency of 10,172,393). The Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition and exploration of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets. There has been no change with respect to the overall capital risk management strategy during the years ended December 31, 2024 and 2023.

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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.

Financial risk management

The Company’s activities involve a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency, and commodity price risk). Risk management is carried out by management, with guidance from the Audit Committee under policies approved by the Board of Directors (the “Board”). The Board also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2024, and 2023.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash is held at select Canadian, Swiss, Ecuadorian and French financial institutions, from which management believes the risk of loss to be low. The Company does not have any material risk exposure to any single debtor or group of debtors.

Liquidity risk

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

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

The Company generates cash flow primarily from its financing activities. As at December 31, 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). Also, the Company has a long-term liability of \$8,213,712 (December 31, 2023 - \$10,053,329) See note 10 – Promissory notes. All the Company’s financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for its promissory notes.

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In addition to the commitments disclosed in Note 20 – Commitment and contingencies, the Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2024:

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 (note 10)	588,285	705,942	-	705,942
Promissory note 2019 (note 10)	4,078,789	4,894,546	-	4,894,546
Promissory note June 2023 (note 10)	1,748,388	2,098,066	-	2,098,066
Promissory note October 2023 (note 10)	868,461	1,042,153	-	1,042,153
Promissory note January 2024 (note 10)	863,872	1,036,647	-	1,036,647
Lease liabilities (note 11)	126,358	134,458	66,378	68,080
Total	\$ 11,865,268	\$ 13,502,927	\$ 3,657,493	\$ 9,845,434

As the Company has no steady source of revenues or cash flow, it is highly probable that additional financing will be required during 2025 to further advance exploration at the Project, and to meet ongoing financial obligations in the normal course of business. There can be no assurance that financing will be available on terms acceptable to the Company or at all.

Market risk

Market risk is the risk related to changes in the market prices, such as fluctuations in foreign exchange rates and interest rates that will affect the Company's net earnings or the value of its financial instruments.

(i) Interest rate risk

Cash balances are deposited in highly-accessible and low-interest bank accounts that are used for short-term working capital requirements. The Company regularly monitors compliance with its cash management policy.

(ii) Foreign currency risk

Certain of the Company's expenses are incurred in USD, CHF, and EUR, which are subject to potential gains or losses due to fluctuations in these currencies. As at December 31, 2024, the Company holds balances in those foreign currencies which are subject to foreign currency risk, with the most material being in USD. The CAD equivalent of the USD balances include \$74,132 in cash (December 31, 2023 – \$88,858) and \$8,060,527 in accounts payable, accrued liabilities, and promissory notes (December 31, 2023 – \$6,261,612). The financial position related to balances in the other currencies is less significant. The Company's combined exposure to foreign currencies risk with respect to amounts denominated in USD, CHF, and EUR as of December 31, 2024, and 2023, was substantially as follows:

In Canadian \$ equivalents	December 31, 2024	December 31, 2023
Cash	\$74,132	\$88,858
Accounts payable	(698,298)	(664,368)
Accrued liabilities	(2,695,156)	-
Promissory notes	(4,667,073)	(5,597,245)
Net exposure	\$(7,986,395)	\$(6,172,755)

Management has not hedged its foreign exchange risk.

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Sensitivity analysis

At December 31, 2024 and 2023, both the carrying and fair value amounts of the Company's short-term financial instruments are approximately equivalent due to their short-term nature. The carrying value of the long-term promissory note at December 31, 2024 is \$8,147,795 (December 31, 2023 – \$9,926,970). This was estimated based on discounting the promissory notes at an estimated discount rate of 20% with term of one year.

Based on Management's knowledge and experience of the financial markets, the Company believes that a 10% strengthening of the Canadian dollar against the USD, CHF, and EUR at December 31, 2024 would have resulted in a decrease in net loss of the Company by \$1,146,712 (December 31, 2023 – \$617,276). A 10% weakening of the Canadian dollar against the same currencies would have had an equal but opposite effect.

Commodity price risk

Commodity price risk is defined as the potential adverse future impact on earnings and economic value due to commodity price movements and volatility. The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of gold, silver, copper, and other commodities.

Commodity prices have fluctuated significantly in recent years. There is no assurance that these metals will be produced in the future or that a profitable market will exist for them. At December 31, 2024 and 2023, the Company was not a metals commodity producer.

6. DISPOSAL OF SUBSIDIARY AND LONG-TERM INVESTMENT

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

On September 23, 2024, Palamina completed the acquisition of 100% of the shares of Vicus in accordance with the terms of the Agreement. The 350,000 Palamina common shares received by the Company were initially recognized at the fair value of \$0.165 per share as of the closing date, totalling \$57,750. The fair value was determined based on the closing market price of Palamina's shares on TSXV.

The Company intends to hold these shares as a long-term investment, and designated these shares as equity instruments at fair value through other comprehensive income (FVOCI) under IFRS 9. At December 31, 2024, the fair value of the shares decreased to \$35,000, based on a market price of \$0.10 per share, and the \$22,750 difference is presented as other comprehensive loss in the consolidated statements of loss and comprehensive loss.

The Company assessed the fair value of the 1% NSR royalty as \$nil based on the probability of production on the concessions granted.

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Gain on disposal of subsidiary

As consideration for the sale of Vicus, the Company received 350,000 common shares of Palamina, valued at \$0.165 per share as at the closing date, for a total fair value of \$57,750. The net liability position of Vicus at the time of disposal was \$371,563 and the Company incurred legal and accounting professional fees of \$24,854 to close the transaction.

The transaction resulted in derecognition of all assets, liabilities and equity related to Vicus, the recognition of the fair value of the consideration received minus the professional fees directly related to the transaction, and the recording of the gain of \$404,459 in profit or loss.

The detailed calculation of the Gain on disposal is as follows:

Gain on disposal of subsidiary calculation at closing

Palamina's Common Shares (350,000 at \$0.165 each)	\$	57,750
Less: Professional expenses related to the transaction	\$	(24,854)
Net consideration received	\$	32,896
Net liabilities of subsidiary	\$	371,563
Gain on disposal of subsidiary	\$	404,459

The resulting gain of \$404,459 was recognized in the consolidated statements of loss and comprehensive loss, within the line item "Gain on Disposal of Subsidiary".

7. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Field Equipment	Furniture and Fixtures	Computer Equipment	Total
COST					
At December 31, 2022	27,545	135,614	8,399	186,805	358,363
Additions	-	-	-	-	-
At December 31, 2023	27,545	135,614	8,399	186,805	358,363
Additions	-	12,376	-	7,280	19,656
At December 31, 2024	27,545	147,990	8,399	194,085	378,019
ACCUMULATED DEPRECIATION					
At December 31, 2022	(11,293)	(91,044)	(3,249)	(132,268)	(237,854)
Additions	(2,074)	(14,160)	(758)	(28,654)	(45,646)
At December 31, 2023	(13,367)	(105,204)	(4,007)	(160,922)	(283,500)
Additions	(2,075)	(5,132)	(758)	(21,220)	(29,185)
At December 31, 2024	(15,442)	(110,336)	(4,765)	(182,142)	(312,685)
NET BOOK VALUE					
At December 31, 2022	16,252	44,570	5,150	54,537	120,509
At December 31, 2023	14,178	30,410	4,392	25,883	74,863
At December 31, 2024	\$12,103	\$37,654	\$3,634	\$11,943	\$65,334

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8. RIGHT OF USE ASSETS

The Company has certain 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, and the Company did not have to pay for the warehouse. As a result, the Company adjusted the right of use assets calculation at the end of the year 2023. The lease is for a term ending December 31, 2026.

Right of Use Assets	
Initial adoption (October 1st, 2022)	\$254,746
At December 31, 2022	\$254,746
Cancellation of warehouse	(26,130)
At December 31, 2023 and 2024	\$228,616
Accumulated Depreciation ROU	
At December 31, 2022	(14,985)
Amortization	(52,255)
Balance December 31, 2023	(67,240)
Amortization	(53,792)
At December 31, 2024	(121,032)
Net Book Value	
At December 31, 2022	239,761
At December 31, 2023	161,376
At December 31, 2024	107,584

9. MINERAL PROPERTY INTERESTS

ECUADOR

a) Mineral concessions and obligations

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

- **Initial Exploration (up to four years).** On December 31, 2020, the Ecuadorian government adopted new legislation establishing that the four years of Initial Exploration starts on the day the mineral concession holder, having completed certain administrative acts, receives the permits required to effectively conduct operational activity and not, as had previously been the case, the date when the concession is first granted. As a result, the effective date for the initial exploration of each concession is considered on a case-by-case basis with each concession having its own expiry date for the four years of Initial Exploration. The administrative acts required before permits are granted include: i) Environmental Registry; ii) Certificate of non-affectation of water sources; and iii) Affidavit of not affecting public infrastructure.

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

- In accordance with the Mining Law, by March 31 each year a Company must pay a concession fee for each concession it holds. The concession fee during the Initial exploration phase is calculated as 2.5% of the Unified Basic Remuneration ('UBR') per hectare. In 2024 the UBR was USD460, which equates to USD11.50 per hectare. The UBR is assessed annually and is subject to change. 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 per hectare initially, rising to USD10 per hectare per the Mining Law, and the Committed Expenditure, an annual amount that the concession holder files with the Mining Ministry that it is planning to spend in the coming year. Importantly, the annual concession fees are included in the calculation of the minimum expenditures required.
- The concession fees paid, potential future fee obligations and expenditure commitments are set out below.

Initial Exploration Phase			
Year	Annual concession fee (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 note 22 – 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.

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- **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) Agreement on Payment of Mineral Properties in Ecuador

The Company announced on November 25, 2024 that it has reached an agreement with the corresponding Ecuadorian authorities regarding the payment of its annual concession fees for its 42 mineral exploration concessions in Ecuador for the year 2024. This agreement ensures the Company's properties remain in good standing, enabling continued focus on exploration efforts. As part of the agreement, the Company has made a partial payment, with the balance due on May 1st, 2025, recorded under accounts payable and accrued liabilities, including interest on the outstanding amount.

c) Relinquishment or cancellation of concessions

The size of the concession area constituting the Project may be reduced at the Company's discretion, based on exploration results. Conversely, mineral concessions can be cancelled by the State, for various reasons including, misrepresentation by the concession-holder of the stage of the concessions' exploration and development, by causing an excessive environmental impact, irreparable damage to Ecuadorian cultural heritage, or by the violation of human rights. See note 16 – Exploration expenses.

d) 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.

PERU

On September 23, 2024, Palamina completed the acquisition of 100% of the shares of Aurania's Peruvian Subsidiary as described in note 6 – Disposal of subsidiary. As part of the consideration, the Company received a 1% NSR royalty over certain mining claims located in Peru which are held by Vicus. Palamina keeps the option to buy back half of the NSR for \$1,000,000 at any time.

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

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10. PROMISSORY NOTES

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 settlement

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 of the Company. The completion of this debt settlement was announced on May 9, 2024. The carrying value of the loans at closing was \$1,772,130. See note 12(iii) – Share Capital for more information.

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. The completion of this debt settlement was announced on December 23, 2024. The carrying value of the loan at closing was \$1,482,664. See note 12(iv) – Share Capital for more information.

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

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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.

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

11. 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.

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
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

The Company used a discount rate of 6% in determining the present value of lease payments.

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12. SHARE CAPITAL

Authorized share capital at December 31, 2024 and 2023 is 1,000,000,000 common shares with a par value of \$0.00001 per share. All shares issued are fully paid. The number of issued and outstanding common shares at December 31, 2024 is 104,168,397 (December 31, 2023 – 67,471,737). During the year ended December 31, 2024, the Company completed the following:

(i) **Private placement financing (May 2024)**

On May 31, 2024, the Company closed the previously announced (April 17, 2024) 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. Dr. Barron's direct family members, subscribed for an aggregate amount of 30,000 units under the 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.

(ii) **Private placement financing (December 2024)**

On December 23, 2024, the Company closed the previously announced (November 25 and December 13, 2024) 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.

(iii) **Debt Settlement (May 2024)**

On April 17, 2024, with a subsequent update on April 24, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting \$2,072,165—comprising \$2,000,000 in

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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.

(iv) **Debt Settlement (December 2024)**

On November 13, 2024, with a subsequent update on November 25, 2024, the Company's Board of Directors approved a debt settlement arrangement with Dr. Barron, converting \$1,740,616.36—comprising \$1,652,169 in principal and \$88,448 in accumulated interest on the loan dated March 11, 2022—into 3,868,036 Common Shares at a price of \$0.45 per share.

During the year ended December 31, 2023, the Company completed the following:

(v) **Private placement financing**

On May 19, 2023, the Company closed the previously announced (March 13, 2023) non-brokered private placement financing for 9,253,811 units priced at \$0.46 per unit (the "Issue Price"), completed in three tranches in the months of March 2023, April 2023 and May 2023 for total gross proceeds of \$4,256,753. 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 36 months after the closing date of the applicable tranche. The Company paid commissions to certain finders of an aggregate of \$24,036 in cash and 52,252 finder warrants. Each finder warrant entitles the holder to purchase one unit at the Issue Price and is exercisable for a period of thirty-six (36) months from the closing of the corresponding tranche.

Dr. Keith Barron, the Chief Executive Officer, President, director, promoter and a significant shareholder of the Company subscribed for 7,413,236 units of this offering. The aggregate cash paid for regulatory and legal costs was \$91,201. A value of \$1,310,730 has been assigned to warrants using the Black-Scholes option pricing model for each tranche using the following assumptions: expected dividend yield of 0%, an expected life of 3 years, an expected volatility of 96.71%, 96.41% and 95.96%, respectively, and a risk-free rate of 3.46%, 3.64% and 4.01%, respectively. Volatility is based on the historical trading of the Company's shares.

13. STOCK-BASED COMPENSATION

Stock options

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

During the year ended December 31, 2024, the Company recorded the following stock option transactions:

- (i) The directors of the Company agreed to receive their director fees for 2024 in stock options in lieu of cash. The Company granted a total of 94,000 stock options exercisable at \$0.25 in lieu of their director fees for the first quarter of 2024; 54,000 stock options exercisable at \$0.46 in lieu of their director fees for the second quarter of 2024; 42,000 stock options exercisable at \$0.54 in lieu of their director fees for the third quarter of 2024, and 54,000 stock options exercisable at \$0.43 in lieu of their director fees for the fourth quarter of 2024, expiring after three years and vesting immediately. A fair value of \$15,040; \$16,200; \$15,120; and \$15,120 respectively was determined using the Black-Scholes pricing model with 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.

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Additionally, an aggregate of 2,100,000 stock options were granted 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, a total of 200,000 stock options were granted 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%.

- (ii) At December 31, 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.
- (iii) During the year, an aggregate of \$773,793 of stock-based compensation was recorded for the fair value of vested stock options resulting from the grant of stock options in the current period and prior years.

During the year ended December 31, 2023, the Company recorded the following stock option transactions:

- (iv) The Directors of the Company agreed to receive all their director fees in the form of stock options in lieu of cash for each quarterly period starting the quarter ended March 31, 2023, until December 31, 2023. On April 11, 2023, an aggregate of 53,568 stock options were granted to the directors at an exercise price of \$0.46 in lieu of their director fees for the quarter ended March 31, 2023. The stock options will be exercisable for three years and vest immediately.

The stock option fair value of \$14,999 was determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 96% based on the historical trading of the Company's shares, a risk-free rate of 3.73% and an expected life of 3 years.

- (v) On June 30, 2023, an aggregate of 58,000 stock options were granted to the directors at an exercise price of \$0.33 in lieu of their director fees for the quarter ended June 30, 2023. The stock options will be exercisable for three years and vest immediately.

The stock option fair value of \$11,600 was determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 99% based on the historical trading of the Company's shares, a risk-free rate of 4.61% and an expected life of 3 years.

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- (vi) On June 30, 2023, pursuant to the Company's Stock Option Plan, 1,990,000 stock options were granted to directors, officers, employees, and consultants. Of these, 1,350,000 stock options were granted to directors and officers of the Company. The stock options have an exercise price of \$0.33, are exercisable for five years, and vest in three equal annual installments from the date of grant.

The stock option fair value of \$457,700 was determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 89% based on five years historical trading of the Company's shares, a risk-free rate of 3.78% and an expected life of 5 years.

- (vii) On September 29th, 2023, an aggregate of 107,200 stock options were granted to the directors at an exercise price of \$0.235 in lieu of their director fees for the quarter ended September 30, 2023. The stock options will be exercisable for three years and vest immediately.

The stock option fair value of \$15,008 was determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 101% based on three years of the historical trading of the Company's shares, a risk-free rate of 4.87% and an expected life of 3 years.

- (viii) On December 29th, 2023, an aggregate of 79,200 stock options were granted to the directors at an exercise price of \$0.31 in lieu of their director fees for the quarter ended December 31, 2023. The stock options will be exercisable for three years and vest immediately.

The stock option fair value of \$15,048 was determined using the Black-Scholes pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 103% based on three years of the historical trading of the Company's shares, a risk-free rate of 3.95% and an expected life of 3 years.

- (ix) During the year, an aggregate of \$583,226 of stock-based compensation was recorded for the fair value of vested stock options resulting from the grant of stock options in the current period and prior years.

The following table summarizes the stock options activity during the years ended December 31, 2024 and 2023:

	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

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The following summarizes the stock options outstanding at December 31, 2024:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
125,000	125,000	3.16	7-Feb-25	295,000
460,000	460,000	3.51	17-Nov-25	909,419
100,000	100,000	3.25	22-Dec-25	182,500
200,000	200,000	3.21	25-Jan-26	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
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
7,339,468	4,999,469	\$0.86		\$3,607,727

The weighted average contractual life for stock options outstanding as at December 31, 2024 is 3.18 years (December 31, 2023 – 3.23 years) and the weighted average exercise price on exercisable options is \$0.86 (December 31, 2023 – \$1.28).

Restricted Stock Units (“RSUs”)

RSUs are granted to encourage employee performance and retention, 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.

The following table summarizes the RSU activity for the years ended December 31, 2024 and 2023:

	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	-	\$ -

The RSUs were not included in the computation of diluted net loss per share for the periods presented as they are anti-dilutive.

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Shares to be issued

Shares to be issued ("STBI") are restricted stock units that have fully vested but where the related shares are yet to be issued. The following table summarizes the shares to be issued activity for the years ended December 31, 2024 and 2023:

	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

14. WARRANTS

The following summarizes the warrants and Agents' Warrants activity for the years ended December 31, 2024 and 2023:

	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	52,252	0.75	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 corresponding issue price (\$0.20 and \$0.45 per unit). Each unit consisted of one common share and one full warrant.

Exercise of warrants

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

Outstanding warrants

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.

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.

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The following table summarizes the warrants and Agents' warrants outstanding as at December 31, 2024:

Expiry date	Number of Warrants	Exercise Price
March 28, 2025	1,586,653	1.25
March 30, 2025	410,000	1.25
March 23, 2026	7,818,505	0.75
April 25, 2026	1,262,855	0.75
May 9, 2026	10,891,510	0.45
May 19, 2026	224,703	0.75
May 23, 2026	4,219,752	0.45
May 31, 2026	3,622,000	0.45
October 21, 2026	3,835,250	2.20
October 21, 2026	230,115	2.20
October 21, 2026	1,256,037	2.20
December 13, 2026	2,736,579	0.75
December 23, 2026	1,020,744	0.75
Balance - December 31, 2024	39,114,703	\$0.83

The weighted average contractual life for warrants outstanding as at December 31, 2024 is 1.40 years (December 31, 2023 – 1.72 years). Refer to note 22 – Subsequent events for updated information regarding extension of exercise period of 1,996,653 warrants.

15. 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:

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 Vice President Exploration compensation.

⁽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.

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16. EXPLORATION EXPENSES

	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

17. 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.
- (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.

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- (c) For other related party transactions, see note 9 – Mineral property interests, note 10 – Promissory notes, note 12 – Share Capital sections 12(i), 12(ii), 12(iii), and 12(iv), and note 15 – Key management compensation expense.

18. RECLASSIFICATION OF PRIOR YEAR'S DATA FOR PRESENTATION

Certain comparative amounts for the year ended December 31, 2023, have been reclassified to conform to the presentation form for the year ended December 31, 2024, and better reflect the nature of the costs. Specifically, in the consolidated statement of loss and comprehensive loss, certain salary expenses for administrative personnel, previously included in Investor Relations expense, have been reclassified to Management Fees (\$130,573). Additionally, office-related expenses associated with the Company's projects in France, previously presented within Exploration Expenses, have been reclassified to Office and General (\$1,460). These reclassifications had no impact on the net loss previously reported.

19. SEGMENTED INFORMATION

At December 31, 2024, the Company's operations consisted of one business segment engaged in mineral exploration and two geographical segments – Ecuador, and France (four geographical segments including Peru and Switzerland as at December 31, 2023). Cash of \$1,494,805 (December 31, 2023 - \$243,283) is held in a Canadian chartered bank, \$69,035 (December 31, 2023 - \$23,325) being held in a chartered bank Ecuador, \$nil (December 31, 2023 - \$26,447) being held in a chartered bank in Peru, \$nil (December 31, 2023 - \$1,732) being held in a chartered bank in Switzerland, and \$29,364 (December 31, 2023 - \$30,474) being held in a chartered bank in France.

20. 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. Subsequent to December 31, 2024, the Company transitioned its CFO from a fractional role to a full-time employee under a new employment agreement effective January 1st, 2025, 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.

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 these 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 11 – Lease liabilities.

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21. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of approximately 0% (2023 – 0%) were as follows:

	2024	2023
(Loss) before taxes:	(\$10,833,344)	(\$9,971,545)
Expected income tax benefit based on statutory rate	-	-
Adjustments to expected income tax benefit:		
- Adjustment for taxes in foreign operations	(1,910,000)	(1,974,000)
- Tax benefits not recognized	-	1,608,000
- Change in foreign exchange rates	(1,343,000)	392,000
- Non-deductible expenses	15,000	17,000
- Change in benefit of tax assets not recognized	2,137,000	-
- Disposal/wind-up of subsidiaries	1,094,000	-
- Other	7,000	(43,000)
Deferred income tax	\$ -	\$ -

(b) Deferred income tax balances

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Non-capital losses carry-forwards – Canada	13,835,000	\$12,387,000
Non-capital losses carry-forwards - Switzerland	\$ -	\$2,345,000
Non-capital losses carry-forwards - Peru	\$ -	\$2,830,000
Non-capital losses carry-forwards - Ecuador	\$71,938,000	\$60,690,000
Non-capital losses carry-forwards - Corsica	\$300,000	\$ -
Non-capital losses carry-forwards - Brittany	\$242,000	\$ -
Deferred income tax liability	\$86,315,000	\$78,252,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The losses which may reduce taxable income in Canada, amount to approximately \$13,836,000 and expire as follows:

Amount	Year of Expiry
\$347,000	2033
341,000	2034
313,000	2035
262,000	2036
850,000	2037
1,357,000	2038
1,825,000	2039
1,940,000	2040
1,924,000	2041
1,977,000	2042
1,313,000	2043
1,387,000	2044
\$13,836,000	

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22. SUBSEQUENT EVENTS

Warrants

On February 20, 2025, the Company announced the extension of the exercise period by one year 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.

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.

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 an 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 assurances that there will be future tranches of the private placement closed.