



AURANIA

AURANIA RESOURCES LTD.

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

For the Year Ended December 31, 2025

(Expressed in Canadian Dollars unless otherwise indicated)

INTRODUCTION

Aurania Resources Ltd. (“Aurania” or the “Company”) is a publicly traded junior mining exploration company engaged in the identification, evaluation, acquisition, and exploration of mineral property interests, with a focus on precious metals and critical minerals in Europe and abroad. Aurania holds three exploration licences in Brittany, France. Aurania holds rights, title and interest in 42 mineral exploration licenses in southeastern Ecuador (the “Project”) that covers approximately 206,000 hectares (“Ha”). This Management’s Discussion and Analysis (“MD&A”) is a review of the financial condition and results of operations by the management (“Management”) of Aurania for the year ended December 31, 2025 (the “Reporting Period”). This MD&A is prepared as of April 27, 2026, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval (“SEDAR+”) – <http://www.sedarplus.ca> and are also available on the Company’s website <http://www.aurania.com>.

CAUTIONARY NOTE

This MD&A contains “forward-looking information” under applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including any information as to the Company’s strategy, plans, payment of concession fees, objectives, goals, exploration results, potential mineralization, the evaluation of strategic alternatives to meet the Company’s ongoing obligations or future financial or operating performance. Forward-looking statements are characterized by words such as “plan,” “expect,” “budget,” “target,” “project,” “intend,” “believe,” “anticipate,” “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions, assumptions and estimates of Management, considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company’s expectations related to the assumption that all necessary consents, licenses, permits and approvals will be obtained, including various local government licenses, that the Company will have the resources to satisfy its ongoing obligation including the payment of concession fees, with exploration concepts on its projects, potential development and expansion plans on the Company’s projects, the impact of general business and economic conditions, global liquidity, inflation, inability to raise additional funds as may be required through debt or equity markets, fluctuating metal prices (such as gold, nickel, silver and copper), currency exchange rates (such as the Canadian Dollar (“\$”), the United States Dollar (“USD”), and European euro (“€”)), changes in accounting policies, risks related to non-core asset disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in exploration time-frames, the possibility of project cost-overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, poor success of exploration sites, permitting timelines, government regulation and the risk of government expropriation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of labour disputes and/or shortages, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Investors are cautioned that these forward-looking statements are neither promises nor guarantees and are subject to risks and uncertainties that may cause future results to differ materially from those expected. Risk factors that could cause actual results to differ materially from the results expressed or implied by the forward-looking information include, among other things, a failure to obtain or delays in obtaining the required regulatory licenses, permits, approvals and consents, that additional financing is expected to be required in the near-term, an inability to access financing as needed, in a timely fashion, or at all, an inability to reach an agreement for payment of annual concession fees, that there is no guarantee the Company’s evaluation of, and potential implementation of, considered strategic alternatives will result in the Company being able to meet all of its upcoming obligations, a general economic downturn, a volatile stock price, labour strikes, political unrest, changes in the mining regulatory regime governing Aurania, a failure to comply with environmental regulations and a weakening of market and industry reliance on precious metals and critical minerals. Aurania cautions the reader that the above list of risk factors is not exhaustive. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company has no obligation to update forward-looking statements if circumstances or Management’s estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented to assist investors in understanding the Company’s expected financial and operational performance and results as at, and for the periods ended on, the dates presented in the Company’s plans and objectives and may not be appropriate for other purposes.

1. 2025 HIGHLIGHTS

During December 2025, the Company received three exploration permits in Brittany, France, covering areas prospective for polymetallic mineralization, including antimony, tungsten, tin, zinc, and copper - accompanied by gold - and other metals within the South Armorican Shear Zone.

On October 20, 2025, the Company entered into a one-year Memorandum of Understanding with the Italian society RSA and Firestone Ventures Inc. to assess the potential recovery of nickel, cobalt and other metals from the historic tailings at the former Balangero Asbestos Mine near Turin, Italy, as well as the feasibility of using the waste stream for carbon capture and permanent asbestos destruction.

On June 20, 2025, the Ecuadorian Control and Regulation Agency (“ARCOM”) published a resolution imposing a new Mining Service Fee (Tasa de Supervisión y Control Minero or “TASA”) applicable to mining and exploration companies in Ecuador. The Company has been assessed an annual administrative fee of USD24.2 million with the first installment of USD2.0 million due by July 31, 2025, and a second installment of USD12.1 million due by January 31, 2026. Seven constitutional challenges against the application of the TASA have been presented to the Ecuadorian Court. In this context, the Company has decided to suspend all exploration activities in Ecuador and take a “wait and see” approach.

On August 8, 2025, the Company paid USD527,533 corresponding to its 2025 annual concession fees for nine of its 42 concessions in Ecuador plus accumulated interest, approximately 20% of the total amount.

During 2025, the Company completed three non-brokered private placements totaling \$4,403,708 in gross proceeds, with units priced at \$0.30, \$0.12 and \$0.12, each including one common share and one warrant. Proceeds were used to advance exploration activities and working capital. Additionally, the Company received a USD2,094,500 (\$2,887,168 at an exchange rate of 1.3785 USD/CAD) unsecured loan from Dr. Barron mainly used to fund the Company’s remaining balance and interests of the 2024 mineral concession fees in Ecuador.

1.1. Exploration, Ecuador

1.1.1 Areas of Enhanced Prospectivity

When the Company acquired its initial 42 mineral concessions in the Cutucu region from Dr. Keith Barron in 2017, little was known of the geologic potential of the area since the centuries-old activities of the Conquistadors. The Shuar people, who historically inhabited the Cutucu region, did not traditionally engage in gold mining before the arrival of the Spanish. Aurania initiated modern exploration in the area, including an airborne Mobile MagnetoTellurics (MobileMT) geophysical survey in 2021. The data from that survey was reprocessed using new techniques in 2024 and 2025, revealing highly prospective new anomalies at the Awacha target.

Our understanding of these areas was very preliminary in nature in 2017. With new data acquired utilizing new technologies, age-dating, geological mapping and sampling over the last eight years, a much more coherent picture has emerged. In addition, much information has been released in the public filings of companies located in the adjacent and contiguous Cordillera del Condor, immediately south of Aurania’s block of concessions, providing further geological context for Aurania’s target areas.

- Since 2017, through diligent exploration using modern methods, the Company has discovered several highly prospective gold and copper exploration targets in the Cutucu region in southeastern Ecuador.
- Led to the area by in-depth research of the legendarily rich gold mines of the “Lost Cities” of the Cutucu Cordillera over ten years of archival investigation, the Company determined that significant gold potential existed in the area.
- Several “blind” epithermal gold targets, similar to those that led to the discovery of the world-class Fruta del Norte gold deposit in southern Ecuador, have been delineated in the region, including Crunchy Hill, Kuri-Yawi and others.
- Below epithermal targets, several potentially significant porphyry copper targets have been identified using newly reprocessed MobileMT geophysical data.



- Sediment-hosted style copper mineralization, like that of the very large and high-grade Central African Copper Belt, has been identified at the 14 km-long Tsenken prospect.
- Due to the evolving political situation and challenging business conditions for exploration companies in Ecuador, the Company has chosen to suspend all activities and take a “wait and see” approach.

1.1.2 Mineral Property Interests

As a result of the implementation of the TASA and the related enforcement actions by the Ecuadorian authorities, the Company has been unable to further its exploration projects and continue the negotiations for the payment of the balance of the concessions fees corresponding to 2025. Accordingly, the status of certain concessions may be adversely affected, and the Company is actively evaluating its strategic options, including maintaining, restructuring, or relinquishing specific concessions. The ultimate outcome will depend on the resolution of the constitutional challenges against the TASA and any resulting changes to the Company’s financial and regulatory position.

1.1.3 Corporate Social Responsibility (“CSR”)

The Company continues to have the support of the communities within its area of influence within the Project area and continues to strengthen the social fabric in these communities through a range of initiatives performed during 2025, including community engagement, humanitarian aid, donations, and support for orphans in the areas surrounding the Tatasham, Awacha, Crunchy Hill and Kuri- Yawi targets.

1.1.4 Health & Safety

There were no reportable accidents in the field during 2025.

1.1.5 Environment & Water

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

1.2 Exploration Project, France

1.2.1 Brittany

The Company, through its wholly owned French subsidiary, has been granted three exclusive exploration permits in the Brittany Peninsula of northwestern France, namely Epona, Taranis and Bélénos, covering a combined area of approximately 850 km². The permit areas are located in the vicinity of the South Armorican Shear Zone (cisaillement sud-armoricain), a region with a significant history of high-grade gold mineralization. The permits were obtained following the completion of the regulatory process, including Swiss challenge, public consultations, and review by the Environmental Authority, which issued a positive opinion on February 13, 2025.

These permits provide the Company with the right to conduct exploration activities, subject to applicable regulatory requirements. Although no exploration activities of significance have commenced, the Company has advanced its stakeholder engagement efforts in Brittany through ongoing community and institutional outreach initiatives, including information sessions aimed at providing transparency on the project and addressing matters related to environmental management and planned exploration activities.

1.2.2 Corsica

In Corsica, France, the Company has identified a significant opportunity in nickel-rich beach placers located along the Albo and Nonza beaches. These beaches were artificially formed during historical mining operations (1948–1965), when waste rock from the Canari mine was discharged into the sea. Over time, this material accumulated to create black sand deposits rich in awaruite (Ni₃Fe), a naturally occurring magnetic nickel-iron alloy that can be extracted without the use of chemicals. The Company suspended the impact study and is currently focused on the socialization of the project in order to raise awareness among all stakeholders about the virtues and benefits of the project, while assessing mineral-separation pathways and the potential to reliably separate awaruite from magnetite by simple gravity and magnetic means or simple flotation technology on a larger scale.

1.3 Funding

1.3.1 Private placement financing

In 2025, the Company completed three non-brokered private placements, for total gross proceeds of \$4,403,708. The first offering, which closed on April 17, 2025, and May 5, 2025, was for total gross proceeds of \$1,725,576 through the issuance of 5,751,921 units priced at \$0.30 per unit. The second offering, completed on August 1, 2025, and August 5, 2025, was for total gross proceeds of \$1,906,356 through the issuance of 15,886,298 units priced at \$0.12 per unit. The third offering, completed on December 06, 2025, was for total gross proceeds of \$771,777 through the issuance of 6,431,466 units priced at \$0.12 per unit.

Each unit in the three placements consisted of one common share and one full warrant, with a 24-month term. Warrant exercise prices were \$0.55, \$0.25 and \$0.25, respectively. Certain directors participated in the financings, and the Company paid commissions to certain finders in both cash and finder warrants. For additional details, refer to Section 6 – Liquidity and Capital Resources and Section 8 – Equity.

1.3.2 Related Party Loans

On April 30, 2025, Dr. Keith Barron, the Company's Chairman, CEO, and President advanced a loan of up to USD2,094,500 (\$2,887,168) to the Company. The loan is unsecured, bears interest at 2% per annum and mature upon notice of twelve months and one day from the Lender. See Section 7 – Indebtedness for more details.

2. SELECTED FINANCIAL INFORMATION

Table 1: Selected financial information

Year ended December 31,	2025	2024	2023
Cash	\$442,070	\$1,593,204	\$325,262
Total assets	803,713	2,040,792	710,008
Total liabilities	33,564,632	11,865,268	10,882,401
Total shareholders' deficiency	(32,760,919)	(9,824,476)	(10,172,393)
Accumulated deficit	\$(134,909,556)	\$(105,412,888)	\$(98,771,170)

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

3.2 Exploration

The Lost Cities Project, Ecuador

Geological Context of Aurania's Cutucu Project

The Cordillera de Cutucu and the Cordillera del Condor are part of a Jurassic back-arc rift system which extends roughly north-south through the whole of Ecuador. In the two Cordilleras, the fault system which demarcated the Jurassic rift basins was later reactivated and reversed in the Tertiary, forming the height-of-land characteristic of the Cordilleras. The mineralizing systems were then unroofed by erosion and exposed. In the case of the Condor, the erosion and uplift have removed several kilometres of sedimentary cover, exposing many copper porphyry systems and generating large areas of placer gold mineralization where epithermal vein systems have been entirely eroded away. In the Cutucu, the sedimentary cover over the mineralizing systems remains largely intact, so that the very tops of epithermal systems comprising hot spring sinters and siliceous terraces are preserved; the main body of the epithermal systems, as well as likely porphyry systems, remain preserved at depth. Additionally, the Cutucu shows abundant evidence that the fault basins contained playa lakes that evaporated to dryness, depositing thick layers of salt and gypsum. Conditions became favourable for the mobilization of copper and silver in saline fluids from volcanic rocks into shales and sandstones. This combination of unique geological conditions deposited and preserved extensive sheets of copper-silver mineralization in sediments, akin to Kamo-a-Kakula, Dzezkazgan, and the Kupferschiefer.

Blind Deposit Exploration

In the Cutucu, the porphyry and epithermal mineralization outcrop rather poorly or not at all. Their presence is not obvious but is revealed by geology, geophysics and geochemistry. The world-class Fruta del Norte (FDN) gold-silver deposit, approximately 100 km to the south in the more deeply eroded Condor, was fortuitously preserved in a down-dropped graben block and covered by a Cretaceous sandstone which protected it from erosion. This was a "blind discovery" since there was very little gold on the surface. Its discovery by Aurania's predecessor company Aurelian Resources, founded by Dr. Barron, came through the application of geochemical sampling for pathfinder-type elements, i.e., other metals which occur in gold systems but are much more abundant and more easily detected than gold itself. Early application of this methodology in the Cutucu led Aurania to the discovery of Crunchy Hill, Kuri-Yawi and other epithermal prospects. Actively artisanal-mined gold alluvials at Patuca, just outside Aurania's concession block, were determined to be derived from eroded early Cretaceous paleoplacers; in other words, the placer gold accumulations were more or less coincident in time with the epithermal vein system formation some 230 million years ago. This suggests that at least some of the sinter systems spread out over 30 kilometres within the Aurania claims could host another bonanza-grade type FDN.

Prospective Graben Settings

Intensive geological mapping has shown there are at least two, and possibly three, down-dropped grabens arrayed north-south through the Project. These became apparent after very careful reconnaissance mapping and reinterpretation of the biostratigraphy of the fossil endowment. Grabens form through extensional forces in the earth that pull apart the rocks horizontally. The central block will fall vertically into the space created and a deep canyon may result. The extensional spreading allows intrusion of porphyry-producing magmas, producing hot hydrothermal fluids that can pond in the dilatant zones: grabens are recognized as one of the most productive mineralizing environments.

Aurania Among First Industry Users of MobileMT

At the time of the initial MobileMt survey, Electromagnetic (EM) data inversion was performed using a one-dimensional (1D) algorithm. In recent years, EM inversion technology has significantly improved, particularly for areas with rugged terrain. As a result, Aurania recommissioned Expert Geophysics Surveys Inc. to reprocess the 2021 MobileMT data using the latest 2D inversion technology. The 2.5D inversion code that was applied is more objective and comprehensive than the previous 1D technology, as it considers the actual topography of the area being investigated, yielding robust lateral and vertical resolution, resulting in more accurate mapping of the subsurface conductivity, which may be related to mineralization.



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Aurania was one of the very first companies worldwide to adopt MobileMT, but there were few publicly available examples to demonstrate the expected geophysical signature of porphyry deposits using the MobileMT method. For a “real world” test and ground truthing, Aurania had the contractors fly over the known Panantza and San Carlos porphyry copper bodies outside of our concessions. These were proven deposits with extensive drilling. The MobileMT results generated outstanding signatures, with close spatial correlation of the ore bodies with strongly anomalously geophysical signatures.

Based on this test study we flew large portions of our project using the MobileMT method, yielding several anomalies. The mineralized area of the Panantza/San Carlos test grid had only minor topographic relief, however, unlike our area in the much more rugged Cutucu. The primitive 1-D data inversion available at the time was unable to correct for the more rugged terrain, and we later drilled some targets that subsequently proved to be spurious. We have great confidence in the improved 2.5-D reprocessing of our data to produce reliable results: the new processing method accounts for the more significant terrain correction, and the new anomalies agree well with known geology, other geophysics and the porphyry copper exploration model.

The Lost Cities Cutucu Project

Aurania’s Lost Cities Cutucu Project was an outgrowth of historical research in the Archive of the Indies, Seville, and the Vatican Library, which suggested that the rich gold mines of Logroño de Los Caballeros and Sevilla del Oro, active circa 1565-1605 were in the Cutucu Cordillera. The Company used an extremely innovative approach with Metron Inc. of Reston, Virginia, a company that uses Bayesian Theory in geo-location of lost objects, including downed aircraft. Metron successfully located Logroño, which is a large alluvial plain along the Rio Santiago, just off our concession block. This was confirmed by the recovery of large amounts of alluvial gold by our geologists. We believe that this gold deposit was in part fed from our property. Attempts to partner with the construction company owning the gold alluvial area have to date been unsuccessful. Sevilla del Oro remains “lost” but it is believed to be in the drainage basin of the Pastaza River and outside our concessions. Aurania can find no evidence of past mining activity on the copper-silver, and lead-zinc-silver showings on our concessions. Dr. Barron’s experience in Guatemala, Mexico and Colombia suggests that the Colonial Spanish would have sunk shafts and adits on any of these areas had they been known at that time. We believe that these are virgin areas. The road network detected on the concessions by LiDAR surveying is almost certainly pre-Colombian and could be many thousands of years old and related to the lost culture in the Upano Valley, north of Macas. It appears that the pre-Shuar inhabitants mined and transported salt along these roads.

Aurania’s Target Areas in the Cutucu

3.2.1 Awacha, Sunka, Kirus, Awacha North

These prospect areas were initially revealed from a 400 metre-spaced airborne magnetometer and radiometric survey carried out in 2017. To date, Awacha has been the focus of our exploration efforts, but all prospects remain undrilled. Awacha and Awacha North appear to be in an area of uplift where early Jurassic rock is at surface. These prospects do not outcrop well, being covered by a thin stratum of mudstone, which in the ravines is eroded away sufficiently to expose porphyry intrusives. In addition, stream sediment sampling produced wide anomalous areas of several kilometres extent where copper and molybdenum were elevated. At both Awacha and Awacha North, zones of classic-type QSP (quartz-sericite-pyrite) alteration and “D-type” mineralized veinlets with molybdenite and chalcopyrite are present. D-type veins are very distinctive with a medial septum of sulphide, only seen in magmatic systems like porphyries. Awacha has been mapped in detail using the Anaconda mapping method. The recasting of the MobileMT survey has shown possible presence of six discrete porphyry bodies (see press release dated June 27, 2025). Awacha North has been cursorily mapped but not explored with MobileMT. We believe that Awacha and Awacha Norte represent multiple potential Cu-Mo porphyry bodies in a cluster, much like Solaris’ Warintza area, located south of Aurania’s concessions. Sunka and Kirus areas have yielded porphyry-style mineralization but have not been mapped in detail.

3.2.2 Crunchy Hill, Kuri-Yawi, Apai, Kuripan, and others.

This collection of targets has high potential for epithermal-type gold-silver veining. These targets were discovered fortuitously very early in Aurania’s exploration efforts in the area, near the paved road where excellent access facilitated sampling. Apart from Crunchy Hill, all contain siliceous hot spring sinter on the surface, with evidence of reeds and other plants entombed in the splash zone of geysers. Very distinctive “geyserite” has also been found. This is a rock of solidified tiny spheres of quartz that represent sand grains on which silica nucleated as they were tumbled in the convecting hot spring. Hot spring-type rocks are located immediately above the ore zone at FDN, and Aurania staff were considerably encouraged by their discovery. Epithermal banded veins have been encountered by drilling, but fluid inclusion paleothermometry indicated that trapping temperatures were low, though salinities high. This means we were drilling on the periphery of the systems or not deep enough where the mineralizing fluids had already deposited their metals and were cooling. Only determined and persevering exploration with the drill will guarantee discovery. The results of an Induced Polarization (IP) Survey were ambivalent. Recasting of the MobileMT



over Kuri-Yawi, however, strongly suggests two areas of potential sulphide flooding related to epithermal processes, as well as a deeper zone that bears the signature of a buried porphyry body. The Crunchy Hill area has not been covered by MobileMT. Crunchy Hill is a zone of disseminated sulphide with minor epithermal veining, which is enriched in the pathfinder elements Ag, As, Mn, Sb, Se, Tl, and Hg. Further geophysical surveys and a drilling campaign are required.

3.2.3 Tsenken

Tsenken was a wholly unexpected target area. Early in the exploration, the field assistants returned from the field with specimens over half a metre in size and more than 50 kg weight of significant amounts of chalcocite (a copper-rich (80% Cu) sulphide mineral) in bedded shales and sandstones. This sediment-hosted style of high-grade copper-silver mineralization, common to the large and high-grade copper deposits of Central Africa and the Kupferschiefer, was previously unrecognized in Ecuador and represent a compelling new exploration target. Informed by our early version of the MobileMT over this area we drilled several targets that unfortunately turned out to be duds. The problem was a misinterpretation of the sedimentary stratigraphy in this area, which was only sorted out by Professor Gregor Borg and Consultant Cristian Vallejo after a number of holes had been drilled. These sorts of copper deposits occur in areas of maximum fluid flow where there are favourable and reactive host rocks. By initiating a serious study of analogues from Ivanhoe Mines' Kamoakakula Deposit in the Central African Copper Belt, we were very excited to discover a large arcuate zone of high conductivity that parallels the surface trace of a major fault and subcropping Santiago Formation for 14 kilometres. The Santiago is a pyritic carbonaceous mudstone unit which could be an analogue to the chemically reactive pyritic diamictite that hosts most of the copper at Kamoakakula. The coincidence of a strongly copper-mineralized rock indicating the presence of an effective mineralizing system, subsurface conductivity anomaly associated with a known fault/plumbing system and receptive host stratigraphy makes Tsenken highly prospective. This target remains undrilled.

3.2.4 Tiria-Shimpia

The Tiria-Shimpia zone appears to be localized along the east side of a graben fault and is hosted by limestone. The mineralization consists of semi-massive and vein-hosted Zn-Pb-Ag-Ba-bearing minerals and could represent the distal expression of the Tsenken copper-silver system. Extending for over nine kilometres and only partly covered by the MobileMT survey, it has been explored with four drill holes, all of which encountered mineralization.

3.2.5 Tatasham

The Tatasham target corresponds to a magnetic low lying within a major magnetic high anomaly. This magnetic low is interpreted as a classic de-magnetization of the rock by hydrothermal alteration related to the core of a porphyry system. The Anaconda mapping conducted in the area confirmed the presence of an intensive hydrothermal alteration, which justified a scout drilling campaign in 2023. The third drill hole intersected a thick silicified zone interpreted as the distal portion of an epithermal system at the same stratigraphic level as the sinter horizon. This indicates that we are in the upper level of the epithermal-porphyry system with the Tatasham prospect representing an epithermal target likely overlying a porphyry system at depth. Follow-up field verification confirmed the presence of sinters and extensive hydrothermal breccias. The thickness of the near-surface silicified system is comparable to that of Fruta del Norte and is situated within a small graben of similar age. Additional surface exploration is warranted to delineate the sinter zone and define targets for the next phase of drilling.

Conclusion

During the last two years, Aurania has engaged with four major companies in discussions of potential collaboration. In each case, the due diligence phase has taken more than six months. Two field visits were made, and a third was cancelled due to the assassination of a political candidate in the lead-up to elections. In each case, Aurania was praised for choosing to keep the large landholding intact, maximizing the chances for discovery, and for the diligent exploration work and positive engagement with the Shuar stakeholder community in Ecuador. Though the exploration market appears to be improving due to rising metal prices, junior explorers, particularly in greenfield areas, still struggle to raise adequate project funding. Aurania's technical team are convinced that the Cutucu land package is one of the last areas left of significant mineral potential in the South American Cordillera that may have the potential to yield several new mines. Pioneering is not easy, nor does it yield the quick results preferred by investors and other stakeholders. It requires patience and perseverance, but the rewards can be spectacular.

3.3 Mineral Property Interests and obligations

France

The Company has expanded its portfolio of mineral property interests through the granting of three new exploration licenses for polymetallic metals, including antimony, tungsten, tin, zinc, copper, gold, and other metals in the Brittany Peninsula of northwestern France. The licenses, named Epona, Taranis and Bélénos, are held through a wholly owned French subsidiary and cover areas in southern Brittany and northern Pays de la Loire, within the Armorican Massif.

The purpose is to explore the South Armorican Shear Zone, a major crustal structure where mineralization of antimony, tungsten, tin, zinc, copper and gold. The initial mining inventory studies conducted by the French Geological Survey (BRGM) confirmed the presence of gold associated with strategic metals over more than 150 km along the shear zone, and in some cases at exceptional grades. The Company considers this district-scale opportunity to be at an early, greenfield stage, where modern exploration techniques have not been systematically applied since the 1980s. Over the next 12 to 18 months, in parallel with stakeholder engagement for land access, the Company plans to begin preliminary exploration phases, including a detailed review of data from the BRGM (French Geological Survey), which holds extensive historical data on these areas. Fieldwork will commence as soon as possible in the areas identified as having the greatest potential.

The obligations associated with the Brittany licenses relate mainly to maintaining them in good standing under French mining law. Failure to meet regulatory work or reporting requirements, could result in the loss or reduction of the Company's interests in part or all these licenses.

No mineral resources or reserves have yet been defined on the Brittany licenses, and all expenditures are currently classified as exploration and evaluation expenditures. The timing and amount of future spending on these properties will depend on obtaining land access, exploration results, access to financing and corporate priorities, and there can be no assurance that exploration will result in an economically feasible deposit.

Italy

The Company signed a Memorandum of Understanding (the "MOU") with Società per il Risanamento e lo Sviluppo Ambientale dell'ex miniera di amianto di Balangero e Corio (Society for the Remediation and Environmental Development of the former asbestos mine of Balangero and Corio or "RSA"), and Firestone Ventures Inc. ("Firestone"). This is a cleanup project with the added bonus of carbon capture and production of critical metals. The objective of the MOU is to examine the extensive tailings for a potentially commercially viable nickel and cobalt recovery, two "Critical Metals" for electric battery production. Firestone is anticipated to be responsible for the carbon capture portion of the project.

The MOU has a term of one year, during which the parties will carry out data collection, sampling and metallurgical test work at the former Balangero Asbestos Mine (1916-1990), approximately 25 km NNW of Turin, Italy, with Aurania and Firestone having exclusive access to the site to:

1. Examine the possibilities of extracting valuable nickel, cobalt, chromium, iron and copper from the waste piles, and
2. Examine the feasibility of using the waste stream to capture carbon from industrial sources and permanently destroy all the asbestos minerals, thereby rendering the material completely benign.

Under the MOU, the Company's activities are focused on the evaluation of a potential tailings re-processing opportunity, and a rigorous determination of parameters has not yet been done. A limited reconnaissance sampling program commissioned by the Company in 2024, combined with published historical data, suggests that the main tailings pile could average approximately 0.15% nickel, which, if confirmed, could imply circa 229,500 tonnes of contained nickel; however, the Company stresses that these figures are conceptual in nature and subject to significant uncertainty pending more rigorous evaluation.

Approximately 450 kg of tailings collected from 36 sites across the property is being tested at STEVAL or Station expérimentale de valorisation des matières premières et des substances résiduelles (Experimental station for the recovery of raw materials and residual substances) in Nancy, France, to determine mineralogical characteristics, grain size, grind requirements and the response of the material to magnetic separation and other metallurgical processes. The Company also retained the international



consultancy SRK to complete a scoping-level review of the project's mineral assets and expects this review will take approximately six-months to complete.

After the term of the MOU, if results prove favourable, the parties are expected to enter into a commercial agreement with respect to the extraction of metals from the waste piles and subsequent carbon capture from the waste product stream.

Ecuador

New Mining Service Fee

On June 20, 2025, the ARCOM published a resolution imposing a new Mining Service Fee or TASA, intended to fight illegal mining in the country, applicable to mining and exploration companies in Ecuador. The amount of the TASA is determined based on the concessioned hectares and the stage of the exploration projects, applying the percentages established over the prevailing unified basic salary. The Company has no illegal mining on its concessions, nevertheless, has been assessed an annual TASA of USD24,151,420, with the first installment of USD2,012,618 due by July 31, 2025, and a second installment of USD12,075,710 due by January 31, 2026. The assessed amount for one year exceeds the Company's market capitalization, making payment unfeasible.

The TASA represents a significant payment obligation that has never previously been in effect in Ecuador. The Company considers that the TASA is not justified on economic or legal grounds, is disproportionate in magnitude, and is not financially viable for an exploration company.

Comments have appeared in the Mining Journal, Bloomberg and Forbes regarding the potential damage the TASA would cause to the exploration industry in Ecuador and to date, seven Constitutional Challenges have been presented to the Court, questioning its legality. Some of those have been accepted by the Court without directing ARCOM to halt the collection of the fees during the process, which could take several years. The Company will wait for these procedures to follow their course and assess its legal rights and options for further courses of action.

Annual Concession Fees

During 2024, the Company reached an agreement with the Ecuadorian authorities for the payment of the annual concession fees for the year 2024. As per the agreement, the Company paid USD516,219, approximately 20% of the total, in November 2024. The balance was paid by May 1st, 2025, including the corresponding interest.

In March 2025, the Company paid USD4,200 and filed a request to enter into a similar agreement for the annual concession fees corresponding to 2025 for USD2,441,227. The authorities agreed to negotiate through a mediation as the previous year. As part of this process, on August 8, 2025, the Company paid USD523,333 corresponding to the 2025's full annual concession fees for nine of its 42 concessions in Ecuador plus accumulated interest, approximately 20% of the total amount corresponding to 2025.

During September, ARCOM initiated enforcement proceedings aimed at collecting the amounts determined under the TASA. Any payment collected by the authorities, would be applied first toward the TASA, before the concession fees, resulting in the Company's inability to commit to a payment schedule while the TASA remains in effect and the associated restrictions on the Company continue to apply.

After the end of the reporting period, on March 11, 2026, the mediation centre called the parties to close the process after no further negotiations were being made and no agreement was reached. The balance of the concession fees corresponding to 2025 is now due, and the delay in addressing a condition of compliance could result in the expiration of the concessions if payment is not fulfilled.

The Company has maintained ongoing dialogue with various governmental and regulatory stakeholders, who have expressed general support for the Company and its activities. Notwithstanding this, the outcome remains dependent on the resolution of the constitutional challenges. Operations in Ecuador were halted and the Company expects that, should the Constitutional Court determine that the TASA is unconstitutional, it may be able to regularize its concession fees in good standing and resume operations.

3.4 Corporate Social Responsibility

The Company's approach has been aligned with the Equator Principles and the United Nations Declaration on the Rights of Indigenous Peoples. A Stakeholder Engagement Plan incorporates early stakeholder engagement with a social impact analysis and defines opportunities for mutually beneficial partnerships between the communities, the Company, and the government.

In spite of the decrease in operations in Ecuador, the Company continues to have the support of the communities within its area of influence given the long-term social and economic benefits of social programs in areas of direct influence, the Company has historically provided technical and logistical support to government initiatives, particularly in remote regions where access is challenging and therefore state presence is limited. These efforts supported the delivery of essential services to isolated communities, leveraging the Company's strong ties, recognition and trusted relationships.

In addition to supporting institutional programs and government agencies, the Company implemented a wide range of direct community initiatives designed to address local needs and enhance quality of life. These efforts included projects focused on education, entrepreneurship, infrastructure, and humanitarian support. The Company has previously collaborated with the Step Forward Foundation and local partners to open a new rural school, distribute educational materials, and support the development of women-led micro-businesses in several communities near its exploration targets.

The Company implemented a health initiative in Awacha that included the training of nursing assistants in first aid and delivery of community-level medical kits for local use. In the Kuri-Yawi and Crunchy hill targets, the Company reinforced a new phase of the MathKind education program, expanding participation with new teachers while continuing to support those already engaged. The Company supported infrastructure upgrades at the Piankas school, including a full perimeter enclosure to prevent accidents and renovation of key facilities to provide a safer and more conducive educational space for students. In Awacha and Kuri-Yawi, the Company distributed school supply kits to support the start of the new academic year in September and conducted nutrition workshops for women in these communities to promote healthier family practices and strengthen local well-being.

In line with its commitment to youth development and community integration, the Company promoted sports activities by strengthening existing football schools, providing equipment and materials. It also supported the establishment of a new football school in Awacha. Additionally, the Company backed the Warastai race organized by the Step Forward Foundation, enabling two representatives from each interested community to participate. This initiative fostered inter-community unity and helped strengthen positive relationships among participants.

In December 2025, the Company joined efforts with the Step Forward Foundation to support the Christmas celebration across all communities within its area of influence. As part of this initiative, the Company contributed a community kitchen to all communities of the influence zone as part of its nutrition and health programs. The Christmas season was positioned not only as a time for receiving gifts, but as an opportunity to reinforce continuity and sustainability in the Company's CSR initiatives.

During the Christmas season, the Company received a unique recognition from local communities within its area of influence. More than 40 "Síndicos" (elected community leaders) organized a meeting to formally convey their appreciation for the Company's ongoing work and support over the years. As part of this recognition, the Company's CEO and President, Dr. Keith Barron, was conferred Honorary Chief status and presented with traditional symbols, including a crown, ceremonial sash, and spear.

This recognition represents a meaningful qualitative indicator of the positive impact of the Company's CSR initiatives and reflects the strong level of trust, engagement, and goodwill developed with local communities over circa nine years of continuous presence and relationship-building.

3.5 Health and Safety

The Company believes that a safe and healthy workplace is a moral imperative reflecting the Company's respect for the individual and the community. Special effort has been directed at working with governmental agencies to improve health, sanitation and education within its Project area.

3.6 Environment & Water

Contaminated water in Ecuador, poor sanitation, and poor hygiene have been identified as the primary risks to the health of people living and working in the Project area; hence the Company invested in education about basic sanitation and water purification methods in conjunction with the Step Forward Foundation and local residents. Clean water systems were previously installed in nine communities. During 2025, all activities under the Environmental Management Plan were successfully completed and reported in accordance with national regulations. These actions reflect the Company's commitment to compliance and transparency in environmental stewardship.

3.7 Mineral concessions

3.7.1 Ecuador Project

(a) Mineral concessions and obligations

The Company acquired the rights, title and 100% interest in the Lost Cities Project, comprised of certain mineral concessions covering 207,764Ha in southeastern Ecuador, on December 27 and 28, 2016 and the concessions were subsequently registered with the Mining Registry of the Mining and Non-Renewable Natural Resources Regulation and Control Agency in compliance with the Mining Law. The concessions are valid for 25 years, renewable for a subsequent 25-year period, provided that the concessions are maintained in good standing. Mineral concessions are regulated according to the following phases:

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

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

- By March 31 each year, a company must pay a concession fee for each concession it holds. The concession fee during the Initial Exploration phase is calculated as 2.5% of the Unified Basic Remuneration ('UBR') per hectare. In 2025 the UBR was USD470 (2024 USD460), equal to USD11.75 (2024 USD11.50) per hectare. Subsequent to December 31, 2025 the UBR was increased to USD482 and USD12.05 per hectare for 2026.
- The concession holder is also required to make minimum qualifying expenditures on each concession such that they satisfy both the Required Expenditure which is USD5.00 per hectare during Initial Exploration, rising to USD10.00 per hectare thereafter, and the Committed Expenditure, an annual amount that the concession holder files with the Ministry of Energy and Non-Renewable Resources, that it is planning to spend in the subsequent year. Importantly, the annual concession fees are included in the calculation of the minimum expenditure required.
- The concession fees paid, potential future fee obligations and expenditure commitments are set out below. Refer to Section 17 – Subsequent Events for updated information regarding concession fee payment due March 31, 2026:

Table 3. Summary of expenditure thresholds and commitments related to the Lost Cities Project

Initial Exploration Phase			
Year	Annual concession fee (USD)	Expenditure Required (USD)	Actual Expenditure (USD)
1 (2017)	\$1,973,198 ¹	\$1,038,820 ²	\$3,354,497
2 (2018)	2,004,923 ¹	2,077,640 ²	4,396,820
3 (2019)	2,046,475 ¹	2,077,640 ²	5,116,155
4 (2020)	2,077,640 ¹	2,077,640 ²	8,627,136
5 (2021)	2,077,640 ¹	2,077,640 ²	12,820,134
6 (2022)	2,207,493 ¹	2,077,640 ²	5,364,089
7 (2023)	2,337,345 ¹	2,077,640 ²	4,486,236
8 (2024)	2,389,286 ¹	2,077,640 ²	4,098,026
9 (2025)	2,441,227 ³	2,077,640 ²	4,466,731
10 (2026)	2,503,556 ⁴	2,077,640 ⁴	⁵
Estimated 11 (2027)	⁶	⁶	^{5,6}

¹ Paid

² Requirement satisfied.

³ The Company filed all the appropriate documentation for the renewal of its 42 mineral exploration concessions and paid USD527,533, applied in full to nine of its 42 concessions, equivalent to 20% of the total amount, as part of negotiations for a payment agreement which are now ceased as a consequence of the implementation and payment enforcement of the TASA. The outstanding balance of 33 concession fees unpaid as at December 31, 2025, is USD1,913,694 plus applicable interest. These concessions are not in good standing as the fees remain unpaid.

⁴ Refer to Section 17 – Subsequent Events for updated information regarding concession fee payment due March 31, 2026, and Required Expenditures.

⁵ Reported by March 31 of the following year.

⁶ The Company has suspended its exploration activities in Ecuador and is maintaining only essential activities while the constitutional challenges against the TASA are resolved. The Company is evaluating its options with respect to its concessions, including the potential relinquishment of certain concessions. The outcome will depend on the resolution of the constitutional challenges and any resulting changes to the Company's financial and regulatory position.

- **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 2025 this would equate to USD23.50 per hectare, rising to USD24.10 per hectare for 2026.

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 or 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**. Refer to Section 17 – Subsequent Events for updated information regarding a New Mining Law.

(b) Negotiation on Payment of Concession Fees on Mineral Properties in Ecuador

The Company reached an agreement with the corresponding Ecuadorian authorities regarding the payment of the annual concession fees for its 42 mineral exploration concessions for the year 2024. The Company made a first payment equivalent to 20% of the balance plus interests in November 2024, and the final payment was made according to schedule by May 1, 2025, including the corresponding interests. The full balance of the 2024 concessions has been paid.

The Company entered a negotiation with the corresponding Ecuadorian authorities regarding the payment of its annual concession fees for its 42 mineral exploration concessions in Ecuador for the year 2025. As part of the negotiations, the Company paid USD527,533, equivalent to 20% of the total amount, applied in full to nine of its 42 concessions. The outstanding balance of 33 concession fees unpaid as at December 31, 2025, is USD1,913,694 plus applicable interest. These concessions are not in good standing as the fees remain unpaid. Negotiations ceased as a consequence of the implementation of the new TASA, and the delay in addressing a condition of compliance could result in the expiration of the concessions if payment is not fulfilled.

(c) Relinquishment or cancellation of concessions

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

(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.

(e) New Mining Service Fee

On June 20, 2025, the ARCOM published a resolution imposing the TASA, applicable to mining and exploration companies in Ecuador. On June 27, 2025, ARCOM issued regulations detailing the payment mechanism for this fee. Under the resolution, the Company has been assessed an annual service fee of USD24,151,420 payable in two semi-annual instalments on July 31 and January 31, in respect of the six-month periods ending June 30 and December 31, respectively.

The first installment of USD2,012,618 was due on July 31, 2025, corresponding to the period from June 1, 2025 (the implementation date of the TASA), to June 30, 2025. The second instalment of USD12,075,710 was due on January 31, 2026, corresponding to the period from July 1, 2025, to December 31, 2025. The Company has not paid either and presents the balance as an accrued liability of USD14,088,328 plus corresponding interest in the financial statements.

Seven constitutional challenges against the new Mining Service Fee have been presented in Ecuador and some of those have been accepted by the Court without directing ARCOM to halt the collection of the fees during the process, which could take several years. The Company will continue to wait for these procedures to follow their course and assess its legal rights and options for further courses of action. Meanwhile, as a result of non-payment of the TASA, all of the concessions are deemed not to be in good standing, and the Company has decided to suspend all exploration activities in Ecuador and opted for a "wait-and-see" approach as it has taken steps to streamline its cost structure and minimize expenditures to preserve cash during this period.

3.7.2 Disposal of Peru Project

On September 23, 2024, Palamina Corp. completed the acquisition of 100% of the shares of Vicus, Aurania's Peruvian Subsidiary. Vicus' sole asset, the Pluma copper-silver project, covers 9,800 hectares in northeastern Peru and will now be advanced by Palamina Corp. Aurania was granted a 1% NSR royalty and received 350,000 common shares of Palamina Corp. (TSXV: PA, OTCQB: PLMNF) as full payment for the purchase of Vicus. Palamina Corp. has the option to buy back half of the NSR for \$1,000,000 at any time.

3.7.3 France Project

In December 2025, the Company was granted three mineral exploration licenses in the Brittany Peninsula of northwestern France: Epona, Taranis and Bélénos, located in southern Brittany and northern Pays de la Loire and are situated within the Armorican Massif, a Variscan terrane with a long history of metal production including tin, gold, base metals, silver, antimony and uranium. The licenses were issued to a wholly owned French subsidiary of the Company in accordance with applicable French mining legislation.

Epona

The Epona permit covers an area of 51 km², and it is located in the Morbihan department, approximately 2 km south of the South Armorican Shear Zone, on Hercynian-aged granitic terrains containing gold-bearing quartz veins. In the surrounding rivers, the presence of gold, tungsten, and tin has been reported by the French Geological Survey (BRGM). The area is affected by argillitic alteration, indicative of hydrothermal activity.

Taranis

The Taranis permit covers an area of 359.5 km², and it is located in Loire-Atlantique department, in the supracrustal domain of the Hercynian belt along the South Armorican Shear Zone, a major fault that acted as a conduit for hydrothermal fluids. Around this major tectonic fault, numerous polymetallic mineral occurrences (zinc, lead, copper, silver, and antimony) are distributed, almost always associated with gold, according to studies by the French Geological Survey (BRGM). The geology of the area consists of Precambrian to Silurian sedimentary rocks intruded by the Lanvaux orthogneiss in its southern part.

Bélénos

The Bélénos permit covers an area of 440.9 km², and it is located in the Loire-Atlantique and Maine-et-Loire department. Within the north side of the area lies a Devonian pull-apart basin bounded by a complex system of dextral shear faults forming two distinct fault corridors, which acted as conduits for the circulation of hydrothermal fluids. Along the main shear zone, numerous sulfide mineralization of antimony, copper, and base metals have been discovered, accompanied by gold, which is also frequently free, very pure, and can reach 200 microns in size. This mineralization is accompanied by hydrothermal alteration with sericite-chlorite and tourmaline. In the southeastern part of the permit, copper, molybdenum, and tin mineralization occurs within quartz veins hosted in aplite dykes or directly cutting the host granite. This mineralization could belong to a copper porphyry system.

The Company has not initiated significant exploration activities and has focused on stakeholder engagement efforts in Brittany and Pays de la Loire through ongoing community and institutional outreach initiatives, including information sessions aimed at providing transparency on the project and addressing matters related to environmental management and planned exploration activities. As with all mineral concessions, there can be no assurance that the licenses will not be challenged, modified or revoked in the future due to regulatory changes, failure to meet statutory requirements or opposition from stakeholders or other third parties.



4. CONSOLIDATED AND COMPREHENSIVE LOSS FOR THE YEARS ENDED ON DECEMBER 31, 2025 AND 2024

At year ended December 31, 2025, the Company incurred a loss of \$30,217,772 (2024 - \$10,833,344). The accumulated deficit as at December 31, 2025 totals \$134,909,556 (\$105,412,888 at December 31, 2024).

Table 4. Expenditures for the years ended December 31, 2025 and 2024.

For the years ended December 31,	2025	2024
Operating Expenses:		
Exploration expenditures	\$24,747,033	\$5,463,832
Stock-based compensation	688,937	773,793
Investor relations	543,746	497,010
Office and general	1,998,308	1,245,997
Management fees	343,472	290,277
Professional and administration fees	200,814	181,792
Regulatory and transfer agent fees	188,568	167,624
Amortization	64,994	82,977
Total expenses	\$28,775,872	\$8,703,302
Other Expenses (Income)		
Loss on foreign exchange	(499,889)	694,779
Interest income	(13,163)	(39,796)
Accretion of shareholder contribution	1,955,474	1,879,518
Gain on disposal of subsidiary	-	(404,459)
Gain on disposal of property, plant and equipment	(522)	-
Net loss for the period	30,217,772	\$10,833,344
Comprehensive Income or loss		
Other comprehensive (income) or loss	(10,500)	22,750
Net loss and comprehensive loss for the period	\$30,207,272	\$10,856,094
Basic and diluted loss per share	\$0.26	\$0.13
Weighted average common shares outstanding – basic and diluted	114,313,365	86,083,617

The Company's accounting policy is to expense exploration expenditures and therefore the \$24,747,033 expense in exploration, including USD14,088,328 of the TASA assessed to the Company during 2025, represents the majority (82%) of the total loss. A discussion of the principal expenditure items follows:

Exploration expenditures

Under the resolution of the TASA, the Company has been assessed an annual administrative fee of USD24,151,420, or USD2,012,618 per month. While the constitutional challenges against the TASA follow the corresponding procedure through the Court, a seven-month accrual of the TASA for USD14,088,328 has been recognized during 2025. The ultimate outcome of these proceedings is uncertain; however, if it is determined that the TASA does not apply, the Company would reverse the accrued amounts accordingly.

Concessions maintenance includes USD2,441,227 corresponding to the annual concession fees for 2025. The Company paid USD527,533, equivalent to 20% of the total amount corresponding to the mineral exploration concessions in Ecuador for the year 2025, applied in full to nine of its 42 concessions.



AURANIA

Other exploration costs in Ecuador during 2025 include CSR, salaries, environment, health and safety activities among other expenses. Exploration costs in France include expenses made during the year prior to the granting of the permits, mainly related to project development, consultants and activities related to stakeholders' engagement. A breakdown of the expenses can be found in the next table.

Table 5. Breakdown of exploration expenditures.

	For the year ended December 31,	
	2025	2024
ECUADOR		
GEOLOGY/FIELD:		
- Salaries, benefits	\$393,976	\$344,225
- Camp costs, equipment, supplies	208,950	276,240
- Project management	75,334	22,889
- Travel, accommodation	28,201	45,788
- Office (Quito, Macas)	16,330	20,419
- Environment, health & safety	35,329	50,616
- Water	55,642	59,459
- Drilling	-	82,993
GEOCHEMISTRY	-	3,796
GEOPHYSICS	5,721	302,313
EXPERT CONSULTANTS	82,618	93,972
CORPORATE SOCIAL RESPONSIBILITY – fees, travel, supplies	456,229	376,317
LEGAL AND OTHER FOR CONCESSIONS	14,476	23,327
CONCESSIONS - Permits and Mining Service Fee	22,818,009	3,237,483
Total exploration in Ecuador	\$24,190,815	\$4,939,837
PERU (Subsidiary disposed on September 23, 2024)		
- Costs related to concession fee applications	-	270
Total exploration in Peru	-	\$270
FRANCE		
- Costs related to concession fee applications	-	4,199
- Geochemistry	29,186	18,607
- Project management	150,813	237,982
- Expert consultants	198,805	169,423
- Camp costs, equipment, supplies	7,650	5,197
- Travel, accommodation	10,088	36,293
- Corporate social responsibility	159,676	-
- Legal expenses	-	52,024
Total exploration – France	\$556,218	\$523,725
TOTAL EXPLORATION EXPENSE	\$24,747,033	\$5,463,832

Other Operating Expenditures

Other operating expenses were kept under control, with some increases compared to the previous year attributable to specific activities. Investor relations expense increased from \$497,010 in 2024 to \$543,746 in 2025 as the Company continued to participate in international conferences to strengthen visibility and investor engagement. Management fees increased from \$290,277 in 2024 to \$343,472 in 2025 mainly due to the fulltime employment of the CFO, previously under an hourly contract, and additional expenses in Ecuador. Professional and Regulatory fees increased due to legal expenses related to the application of the TASA, and an additional private placement in 2025 compared to 2024.



AURANIA

The most relevant operating expenses, included in Office and general, are the interest paid as part of the agreement for the payment of concession fees for the year 2024 and the portion already paid corresponding to 2025 (\$848,985), local deferred assets tax (\$68,343) and the local tax on patents (\$138,406).

Table 6: Cash Flow activities

Cash Flow Activities for the year ended	December 31, 2025	December 31, 2024
Operating	\$(8,294,648)	\$(4,981,616)
Financing	7,143,514	6,269,214
Investing	-	(19,656)
Decrease/(increase) in cash during the year	\$(1,151,134)	\$1,267,942

At the year ended December 31, 2025, the Company's cash position decreased by \$1,151,134 (Table 6). The main cash outflows for the year consist of exploration and corporate expenditures included in the Operating activity in the cash flow statement and described above in this section.

The sources of financing for the year include three private placements totaling gross proceeds of \$4,403,708, as described in Section 6. Liquidity and Capital Resources, and the loan received from Dr. Keith Barron for USD2,094,500 (\$2,887,168) discussed in Section 7. Indebtedness.

There were no Investing activities during the year.

5. SUMMARY OF QUARTERLY RESULT

Table 7. Summary of quarterly result.

Quarters Ended	Net revenue	Net Loss	Loss per Share
December 31, 2025	-	\$18,850,232	\$0.15
September 30, 2025	-	4,650,433	0.04
June 30, 2025	-	1,610,843	0.01
March 31, 2025	-	5,106,264	0.05
December 31, 2024	-	2,929,672	0.03
September 30, 2024	-	1,219,337	0.01
June 30, 2024	-	1,948,071	0.02
March 31, 2024	-	4,736,264	0.07

6. LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk

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

The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, as the implementation of the TASA during 2025.

The Company generates cash flow primarily from its financing activities. As at December 31, 2025, the Company had available cash of \$442,070 (December 31, 2024 – \$1,593,204) to settle current liabilities of \$23,054,763 (December 31, 2024 – \$3,651,556) which includes \$22,628,024 related to the TASA, the balance of the 2025 concession fee, and corresponding interests. Also, the Company has long-term liabilities of \$10,509,869 (December 31, 2024 – \$8,213,712).



All the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for its promissory notes.

Table 8. Summary of financial liabilities.

In Canadian \$ equivalents	Carry amount	Contractual cash flows	January 1 ,2026 to December 31, 2026	Thereafter
Accounts payable and accrued liabilities	\$ 360,822	\$ 360,822	\$ 360,822	\$ -
Concession fees due and applicable interest	2,782,448	2,782,448	2,782,448	-
New administrative fee (TASA) and applicable interest	19,845,576	19,845,576	19,845,576	-
Promissory note 2017	569,523	683,428	-	683,428
Promissory note 2019	3,953,712	4,744,454	-	4,744,454
Promissory note June 2023	1,781,630	2,137,956	-	2,137,956
Promissory note October 2023	885,082	1,062,099	-	1,062,099
Promissory note January 2024	880,538	1,056,647	-	1,056,647
Promissory note April 2025	2,439,384	2,927,262	-	2,927,262
Lease liabilities	65,917	68,080	68,080	-
Total	\$ 33,564,632	\$ 35,668,772	\$ 23,056,926	\$ 12,611,846

Capital management

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and shareholder contribution and accumulated deficit, which at December 31, 2025 was a deficiency of \$32,760,919 (December 31, 2024 – deficiency of \$9,824,476). 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, 2025 and 2024.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange ("TSXV"), which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at the date hereof, the Company is not in compliance with this requirement.

Capital raises

During the year ended December 31, 2025, the Company completed the following:

Private placement financing – April 2025

On April 17, 2025, and May 5, 2025, the Company closed the first and second tranches of the previously announced (April 3, 2025) non-brokered private placement financing for 5,751,921 units priced at \$0.30 per unit for total gross proceeds of \$1,725,576. Each unit consisting of one common share and one full warrant, the warrant having an exercise price of \$0.55 per warrant and expiring 24 months after the closing date of the applicable tranche. The Company paid commissions to certain finders of an aggregate of \$525 in cash and 1,750 finder warrants. Each finder warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) 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 3,000,000 units of this offering. Thomas David Ullrich, a director of the Company, acquired 75,000 units under the offering.

The aggregate cash paid for finders' fees, regulatory and legal costs was \$36,234. The values of \$241,264 and \$196,530 have been assigned to the warrants of the first and second tranches, respectively, using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0% for both, expected volatility of 103.35% and 104.20%, a risk-free rate of 2.52% and 2.54% and an expected life of 2 years for both. Volatility is based on the historical trading of the Company's shares.



Private placement financing – August 2025

On August 1, 2025, and August 5, 2025, the Company announced its intention to complete a non-brokered private placement financing of up to 15,000,000 units of the Company at a price of C\$0.12 per unit for total gross proceeds to the Company of up to \$1,800,000. Each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.25 per common share for a period of 24 months following the closing of the offering.

On August 21, 2025, the Company closed the oversubscribed non-brokered private placement financing for 15,886,298 units priced at \$0.12 per unit, for total gross proceeds of \$1,906,356. Each unit consisting of one common share and one full warrant, the warrant having an exercise price of \$0.25 per warrant and an expiry date of two years from the date of issuance. Dr. Keith Barron subscribed for 5,741,666 units under the offering.

The Company paid commissions to certain finders of an aggregate of \$5,118 in cash and 42,653 compensation warrants to eligible finders. Each compensation warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) months from the issuance of the compensation warrant.

The aggregate cash paid for finders' fees, regulatory and legal costs was \$31,074. A value of \$460,703 has been assigned to the warrants using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0%, expected volatility of 104.18%, a risk-free rate of 2.69% and an expected life of 2 years. Volatility is based on the historical trading of the Company's shares.

Private placement financing – December 2025

On November 20, 2025, the Company announced its intention to complete a non-brokered private placement financing of up to 12,500,000 units of the Company at a price of C\$0.12 per unit for total gross proceeds to the Company of up to \$1,500,000. Each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.25 per common share for a period of 24 months following the closing of the offering.

On December 06, 2025, the Company closed the non-brokered private placement financing for 6,431,466 units priced at \$0.12 per unit, for total gross proceeds of \$771,777. Each unit consisting of one common share and one full warrant, the warrant having an exercise price of \$0.25 per warrant and an expiry date of two years from the date of issuance. Dr. Keith Barron subscribed for 4,166,666 units under the offering.

The Company paid commissions to certain finders of an aggregate of \$2,805 in cash and 23,380 compensation warrants to eligible finders. Each compensation warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) months from the issuance of the compensation warrant.

The aggregate cash paid for finders' fees, regulatory and legal costs was \$20,614. A value of \$205,807 has been assigned to the warrants using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0%, expected volatility of 113.77%, a risk-free rate of 2.46% and an expected life of 2 years. Volatility is based on the historical trading of the Company's shares.

Funding Outlook

As the Company has no steady source of revenues or cash flow and it is implementing its exploration plan as anticipated, periodic financings are required and it is highly probable that additional financing will be required during the following months to further exploration projects, to meet ongoing financial obligations, including the balance of the annual concession fees for the years 2025, 2026 and corresponding interests, and settle the Company's liabilities in the normal course of business. The Company is considering different sources of potential funding to fulfill its contractual obligations including equity issuances, short-term loans, the exercise of warrants and stock options and joint venture partnerships. Refer to Section 17 – Subsequent Events for updated information.

The Company has been successful in funding its operations and the on-going exploration activities, CSR activities as well as corporate costs in Ecuador, France, and Canada. There can be no assurance that additional financing will be available on acceptable terms, or at all, which could impact the Company's ability to continue its planned activities. Refer to Section 15 – Risks and Uncertainties.

7. INDEBTEDNESS

Promissory Notes 2017 - 2024

During 2017, 2019, 2022, 2023 and 2024 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 eight loans to the Company. Five of the loans are still outstanding, and the three loans made during 2022 were settled during 2024 by converting the balance as at the day of settlement, including principal and interest, into common shares of the Company. The following are the 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), settled on November 25, 2024 into 3,868,036 common shares of the Company.
- June 10, 2022 – \$1,000,000, settled on April 24, 2024, together with the loan dated July 29, 2022.
- July 29, 2022 – \$1,000,000, settled on April 24, 2024, together with the loan dated June 10, 2022, into 10,360,825 common shares of the Company for both loans.
- 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
- January 30, 2024 – \$1,000,000, received in advances between January 25 and March 18, 2024

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 and 2025, there is deemed to be a benefit to the Company and as such that portion of the promissory loans considered to represent that benefit is recorded in equity as a shareholder contribution. The loans become repayable on the day following the one-year anniversary of Dr. Barron requesting repayment. The accretion on the promissory notes will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender. The amount of the benefit is then recognized over the life of the promissory notes as an accretion expense.

Table 9. Summary of indebtedness related to promissory notes from 2017 – 2024.

For the year ended December 31,	2025	2024
Initial carrying amount	\$8,147,795	\$10,776,970
Accretion expense	1,629,205	1,879,518
Debt settlement	-	(3,254,794)
Interest rate benefit recognized as shareholder contribut	(1,483,442)	(1,700,934)
Foreign exchange translation loss (gain)	(223,073)	447,035
Balance, end of year	\$8,070,485	\$8,147,795

Promissory Note issued in April 2025

On April 30, 2025, the Company announced that Dr. Barron advanced a loan of up to USD2,094,500 to the Company. The loan is unsecured, bears interest at 2% per annum and matures upon notice of from the Lender at any time following twelve months and one day from the date of issuance. The proceeds of the loan were used to fund the Company’s balance of the 2024 mineral concession fees in Ecuador. IFRS requires that where an interest rate is below the market rate, estimated at 20%, there is deemed to be a benefit to the Company and as such that portion of the promissory loan considered to represent that benefit is recorded in equity as a shareholder contribution. The accretion on the promissory note will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender. The amount of the benefit is then recognized over the life of the promissory note as an accretion expense.

Table 10. Summary of indebtedness related to promissory note issued in April 2025.

For the year ended December 31,	2025
Total proceeds	\$2,887,168
Initial shareholder contribution on initial recognition	(455,647)
Initial carrying amount	2,431,521
Interest rate benefit recognized as shareholder contribut	(326,016)
Accretion expense	326,269
Foreign exchange translation loss	7,610
Balance, end of year	\$2,439,384

Lease liabilities

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

Table 11. Lease liabilities

Lease Liabilities	
Balance at December 31, 2024	\$126,358
Interest expense	5,937
Payments	(66,378)
Lease liabilities as at December 31, 2025	\$65,917

Table 12. Classification of lease liabilities by maturity

Lease Liabilities	
Current lease liability at year end	65,917
Non-current lease liability at year end	-
Lease liabilities as at December 31, 2025	\$65,917

8. EQUITY

Stock Options

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. A fair value of \$5,400 was determined using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 99% and risk-free rate of 2.8%.

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; 108,000 stock options exercisable at \$0.23 in lieu of their director fees for the second quarter of 2025; 168,000 stock options exercisable at \$0.145 in lieu of their director fees for the third quarter of 2025, and 138,000 stock options exercisable at \$0.175 in lieu of their director fees for the fourth quarter of 2025, expiring after three years and vesting immediately. A fair value of \$15,360; \$15,120; \$15,120; and \$15,180 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 111%, 106%, 109% and 114% respectively, stock price \$0.35, \$0.22, \$0.135 and \$0.165, and risk-free rate of 2.55%, 2.57%, 2.51% and 2.56%, respectively.

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. A fair value of \$24,700 was determined using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 99%, stock price of \$0.26 and risk-free rate of 2.76%



On June 30, 2025, an aggregate of 2,465,000 stock options was granted to directors, officers, employees and consultants in accordance with the Company's Stock Option Plan. The stock options have an exercise price of \$0.23, 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 \$419,050 was determined using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical trading of 101%, stock price of \$0.22, and risk-free rate of 2.86%.

During 2025, a total of 685,000 stock options expired unexercised, including 125,000 stock options with an estimated fair value of \$295,000 on February 7, 2025, 460,000 stock options with an estimated fair value of \$909,420 on November 17, 2025, and 100,000 stock options with an estimated fair value of \$182,500 on December 22, 2025.

Table 13. Summary of stock options activity and estimated fair value.

	Number of Options	Weighted Average Exercise Price
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
Granted	3,093,000	0.23
Expired	(685,000)	3.41
Balance – December 31, 2025	9,747,468	\$0.48

The stock-based compensation expense as at December 31, 2025 was \$688,937.

Subsequent to the end of the reporting year, 253,568 stock options expired unexercised on January 25, 2026 and April 11, 2026. On March 31, 2026, the Company granted 40,000 stock options exercisable at \$0.205 to a consultant of the Company, expiring after one year and vesting in full immediately. Some directors of the Company agreed to receive their director fees for the first quarter of 2026 in stock options in lieu of cash. The Company granted the directors additional stock options due to the expiration of out-of-the-money stock options previously granted to them in lieu of their cash fees. A total of 203,000 stock options was granted to the directors of the Company, exercisable at \$0.205, expiring after three years and vesting in full immediately. The following table summarizes the outstanding stock options as at April 27, 2026.

Table 14. Detail of stock options issued, exercisable and estimated fair value.

Issued Number of Options	Exercisable Number of Options	Exercise Price on Exercisable Options	Expiry Date	Estimated Fair Value
58,000	58,000	0.33	30-Jun-26	11,600
40,000	40,000	2.52	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
40,000	40,000	0.21	31-Mar-27	4,000
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	21,500	0.70	30-Oct-27	98,900
54,000	54,000	0.43	31-Dec-27	15,120
64,000	64,000	0.36	31-Mar-28	15,360
1,990,000	1,990,000	0.33	30-Jun-28	457,700
108,000	108,000	0.23	30-Jun-28	15,120
168,000	168,000	0.15	30-Sep-28	15,120
138,000	138,000	0.18	31-Dec-28	15,180
203,000	203,000	0.21	31-Mar-29	26,390
2,100,000	1,400,000	0.46	28-Jun-29	635,725
200,000	133,334	0.70	30-Oct-29	87,888
20,000	13,333	0.37	24-Feb-30	4,093
130,000	86,667	0.27	24-Apr-30	16,726
2,465,000	821,667	0.23	30-Jun-30	245,307
9,736,900	7,083,401	\$0.45		2,546,736

The weighted average contractual life remaining for stock options as at the date of this document is 2.74 years.



Restricted Stock Units - RSUs are granted to encourage employee performance and retention. The RSUs are awarded based on performance criteria and vest over three years in equal instalments. For each RSU that vests a common share in the Company is issued. There was no RSU activity during the year ended December 31, 2025.

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. On November 28, 2025, 15,000 shares were issued pursuant to the RSUs award agreements from November 2020 and October 2019. The following table summarizes the shares to be issued activity for the years ended December 31, 2025 and 2024.

Table 15. Summary of STBI activity and estimated fair value.

	Number of Shares to be Issued	Weighted Average Fair Value on Grant Date	Estimated Fair Value on Grant Date
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
Shares issued	(15,000)	3.27	(49,020)
STBI expired	(143,500)	2.97	(426,104)
Balance - December 31, 2025	25,800	\$2.93	\$75,624

Warrants

On April 17, 2025, and May 5, 2025, the Company closed the first and second tranches of a non-brokered private placement financing for 3,182,899 and 2,569,022 units, respectively, priced at \$0.30 per unit, each consisting of one common share and one full warrant, the warrant having an exercise price of \$0.55 per warrant and an expiry date of two years after closing of the corresponding tranche. The Company paid commissions to certain finders of an aggregate of \$525 in cash, and 1,750 compensation warrants for the second tranche, nil for the first tranche. Each finder warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) months from the closing of the corresponding tranche.

A gross value of \$437,928 has been assigned to warrants using the Black-Scholes option pricing model for each tranche using the following assumptions: expected dividend yield of 0% for both, expected volatility of 103.35% and 104.20%, a risk-free rate of 2.52% and 2.54% and an expected life of 2 years for both. Volatility is based on the historical trading of the Company’s shares.

On August 21, 2025, the Company announced the closure of the oversubscribed non-brokered private placement financing announced on August 1 and August 5, 2025. An aggregate of 15,886,298 units was sold for gross proceeds of \$1,906,356. Each unit consisting of one common share of the Company and one common share purchase warrant, the warrant having an exercise price of \$0.25 per common share and an expiry date of two years after issuance. The Company paid commissions to certain finders of an aggregate of \$5,118 in cash and 42,653 compensation warrants to eligible finders. Each compensation warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) months from the issuance of the compensation warrant.

A value of \$460,703 has been assigned to the warrants using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0%, expected volatility of 104.18%, a risk-free rate of 2.69% and an expected life of 2 years. Volatility is based on the historical trading of the Company’s shares.

On December 5, 2025, the Company announced the closure of a non-brokered private placement financing announced on November 21, 2025. An aggregate of 6,431,466 units was sold for gross proceeds of \$771,776. Each unit consisting of one common share of the Company and one common share purchase warrant, the warrant having an exercise price of \$0.25 per common share and an expiry date of two years after issuance.



AURANIA

The Company paid commissions to certain finders of an aggregate of \$2,806 in cash and 23,380 compensation warrants to eligible finders. Each compensation warrant entitles the holder to purchase one unit at the issue price and is exercisable for a period of twenty-four (24) months from the issuance of the compensation warrant.

A value of \$206,555 has been assigned to the warrants using the Black-Scholes option pricing model using the following respective assumptions: expected dividend yield of 0%, expected volatility of 113.17%, a risk-free rate of 2.46% and an expected life of 2 years. Volatility is based on the historical trading of the Company's shares.

On June 9, 2025, a total of 2,223 warrants were exercised at a price of \$0.45 per common share of the Company.

The following summarizes the warrants and agents' options activity and outstanding warrants and agents' options for the year ended December 31, 2025:

Table 16. Summary of warrants and Agents' warrants activity and estimated fair value.

	Number of Warrants/ Agents' Warrants	Weighted Average Exercise Price	Estimated Fair Value
Balance - December 31, 2024	39,114,703	\$0.83	\$5,673,900
Issued warrants private placements	28,069,685	0.31	1,082,104
Finders warrants (Exercisable into units*)	67,783	0.26	2,119
Exercised	(2,223)	0.45	(120)
Balance - December 31, 2025	67,249,948	\$0.61	\$6,758,003
Finders warrants - Exercised into units	(2,625)	0.20	(142)
Issued warrants from Finders warrants	2,625	0.45	142
Expired	(11,078,013)	0.84	(1,512,903)
Balance - April 27, 2026	56,171,935	\$0.57	\$5,245,100

* Each finder warrant entitles the holder to purchase one unit at the issue price (\$0.46 per unit for 2023, \$0.20 and \$0.45 per unit for 2024, and \$0.55, \$0.25 and \$0.25 per unit). Each unit consisted of one common share and one full warrant.

On February 20, 2025, the Company announced the extension of the exercise period for a total of 1,996,653 unlisted common share purchase warrants, all of which were exercisable at \$1.25 per common share and would otherwise expire on March 28, 2025, or March 30, 2025.

Subsequent to December 31, 2025, an aggregate of 11,078,013 unlisted warrants expired without being exercised.

On April 23, 2026, a total of 2,625 Finders warrants were exercised into units at a price of \$0.20 per unit. Each unit is composed of one common share in the capital of the Company and one common share purchase Warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of C\$0.45 per warrant share at any time until May 9, 2026. As at the date of this MD&A, the following warrants were outstanding and exercisable:



AURANIA

Table 17. Detail of warrants outstanding.

Expiry date	Number of Warrants	Exercise Price
May 9, 2026	10,889,287	0.45
May 19, 2026	224,703	0.75
May 23, 2026	4,219,752	0.45
May 31, 2026	3,622,000	0.45
October 21, 2026	3,835,250	2.20
October 21, 2026	230,115	2.20
October 21, 2026	1,256,037	2.20
December 13, 2026	2,736,579	0.75
December 23, 2026	1,020,744	0.75
April 17, 2027	3,182,899	0.55
May 5, 2027	2,570,772	0.55
August 21, 2027	15,928,951	0.25
December 5, 2027	6,454,846	0.25
Balance – April 27, 2026	56,171,935	\$0.57

The weighted average contractual life for warrants outstanding as at April 27, 2026 is 0.77 years.

9. KEY MANAGEMENT EXPENSE

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company. The Company has identified its directors and certain officers as its key management personnel. The remuneration of the key management and Directors of the company for the year ended December 31, 2025, was as follows:

Table 18. Summary of key management expense

For the year ended December 31,	2025	2024
Salary - corporate ⁽¹⁾	\$180,939	\$143,157
Salary – technical ⁽²⁾⁽³⁾	256,359	234,570
Stock-based compensation for key management ⁽⁴⁾	487,928	556,058
Total key management compensation expense	\$925,226	\$933,785

⁽¹⁾ Salary - corporate includes 100% CFO fees.

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

⁽³⁾ Comparative figure from 2024 has been adjusted to exclude social security contribution, which does not form part of employee compensation.

⁽⁴⁾ This figure is the estimated fair value expense of vested stock options and RSUs granted to key management and directors during the years ended December 31, 2025 and 2024.

10. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties during the years ended December 31, 2025 and 2024:

- (a) During the year ended December 31, 2025, the Company incurred expenses totaling \$23,380 (2024 - \$91,907) for its operations in France. These expenses were paid by Dr. Keith Barron, Chairman and CEO of the Company. As at December 31, 2025, \$115,287 remained as an account payable due to Dr. Barron (2024 - \$91,907). This amount is unsecured, non-interest bearing, and due on demand.

For other related party transactions, refer to Section 3.7.1(d) – Exploration entitlements, Section 6 – Liquidity and Capital Resources, Section 7 – Indebtedness, Section 9 – Key management expense and Section 17 – Subsequent events.

11. OFF-BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements.

12. PROPOSED TRANSACTIONS

The Company is currently negotiating an earn-in agreement (the “Proposed Earn-In”) with St-Georges Eco-Mining Corp. CSE: [SX](#) (“St-Georges”) and its wholly owned subsidiary Iceland Resources ehf (“IR”), to work collaboratively to define and execute a phased exploration program aimed at advancing the Thormodsdalur gold project (“Thor” or the “Thor Project”), located about 20km east of the city centre of Reykjavik, the capital of Iceland, towards initial modern resource definition.

The Thor Project is a volcanic-hosted, low-sulphidation epithermal gold system with a history of exploration dating back to 1908, when initial underground development (including four tunnels and surface exploration that covered over 400 m underground) and limited bulk sampling reported high-grade gold values ranging from 11 to 315 g/t Au. Subsequent geological work, particularly from the 1980s onward, reinterpreted the mineralization as part of a fossil geothermal system, with later studies (2005–2006 and 2013) confirming a banded chalcedony–ginguro vein assemblage hosting gold both as free particles and associated with sulphides such as pyrite and chalcopyrite. Drilling of 32 geothermal and exploration wells totaling approximately 2,439 m has returned a wide range of gold grades, from <0.5 ppm up to 415.4 ppm Au, supporting the presence of a mineralized system with significant variability. Despite these indicators, historical exploration remains insufficient to define a current mineral resource, and there can be no assurance that further exploration will result in the delineation of a compliant mineral resource.

Under the key commercial terms being negotiated, the Company may earn 70% interest in the Project under these terms:

- Initial payment to be made in Aurania shares at a value of approximately USD150,000.
- USD5 million earn-in program over four years for 70% participation.
- Based on exploration results, at 70% interest, Aurania can increase interest to 100% with USD2 million additional investment.
- St-Georges will have the option to choose between keeping 30% interest through a joint venture and contribute proportionally or get a royalty up to 3.0% NSR, inclusive of any pre-existing NSR royalties; and
- A joint Exploration Committee will be established between Aurania and St-Georges, with Aurania being the technical operator.

The parties are in the process of preparing a definitive agreement, which remain subject to final board approvals, receipt of any required regulatory approvals and the execution of final documentation. There can be no assurance that the proposed transaction will be completed on the terms discussed herein, or at all. The Company will provide further disclosure if and when a definitive agreement is executed.

13. CRITICAL ACCOUNTING ESTIMATES

The Company prepares its financial statements in accordance with IFRS. Significant assumptions about the future and other sources of estimation uncertainty that Management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (a) the inputs used in accounting for valuation of warrants and options which are included in the consolidated statement of financial position.
- (b) the inputs used in accounting for stock-based compensation expense in the consolidated statement of loss.
- (c) the \$nil provision for decommissioning and restoration obligations which are included in the consolidated statement of financial position.
- (d) the existence and estimated amount for contingencies.
- (e) the valuation of shareholder contribution in connection with the issue of promissory note.
- (f) Management’s assessment of the Company’s ability to continue as a going concern, including assumptions regarding the timing and availability of future financing required to fund operating expenditures, meet obligations as they come due and carry out planned and contractual exploration programs.

14. CHANGES IN ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

Changes in Accounting Policies

New and Amended IFRS standards recently adopted

During the year ended December 31, 2025, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 21. 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, 2025, 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.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

Financial Instruments

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The Carrying amounts of cash equivalents, receivables, trade and other accounts payable and promissory note on the statements of financial position approximate fair value because of the limited term of these instruments.

Fair value estimates are made by the Company at the date of the statement of financial position based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision.

The Company does not have any derivative financial instruments. All financial instruments are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss.

15. RISKS AND UNCERTAINTIES

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

1. Market Price of Common Shares
2. Dilution
3. Dividend Policy
4. Commodity Prices
5. Uncertainty Related to Mineral Resources and Exploration Potential

6. Exploration, Development and Operating Risks
7. Risk Associated with an Emerging and Developing Market
8. Financing Risk
9. Environmental Risks, Hazards, and Protection
10. Mining Law and Mining Concession in Ecuador and France
11. Government or Regulatory Approvals
12. Instability in Ecuador
13. Community Relations
14. Surface Rights and Access
15. Labour and Employment Matters
16. Infrastructure
17. Tax Regime in Ecuador and the new Mining Service Fee (“Tasa”).
18. Measures to Protect Endangered Species
19. Illegal Mining
20. Security Risks
21. Changes in Climate Conditions
22. Epidemic and Pandemic Diseases
23. Key Talent
24. Significant Shareholder
25. Internal Control over Financial Reporting
26. Conflicts of Interest
27. Dependence on Single Project
28. Information Technology Systems
29. Insurance and Uninsured Risks
30. Application of Anti-Bribery Laws
31. Legal Proceedings
32. Reputational Risk
33. Going Concern

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

16. COMMITMENTS AND CONTINGENCIES

Environmental contingencies

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

Service costs and consulting agreements

The Company's management contracts collectively include minimum commitments of approximately \$1,121,000 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 \$277,200 would be due.

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.

17. SUBSEQUENT EVENTS

Critical Metals Recovery and Carbon Capture Project in Italy

The Company filed an application for an exploration permit through the Italian Single Point of Contact for the Issuance of Authorizations for Strategic Extraction Projects, seeking approval to conduct sampling activities, including sonic drilling on the tailings hill, as required by SRK to complete the PEA. Such permits are typically granted within 30 days, however, the authority advised that applications processed through this channel are only related to projects formally designated as “Strategic” by the European Commission. The application was referred to the regional office of the Honorable Piedmont Region for processing. The regional authority indicated that an Environmental Impact Assessment (“EIA”) is required for conventional exploration permits.



The Company explained the unique nature of this project, noting that the proposed sampling would occur on existing tailings comprised of waste residues already subject to continuous monitoring, rather than involving greenfield exploration. As of the date of this publication, the Company has not received a definitive determination as to whether an EIA will be required at this stage of the project.

Mining Law in Ecuador

Subsequent to the end of the reporting period, the President of Ecuador submitted to the National Assembly the Organic Law for the Strengthening of the Strategic Mining and Energy Sectors, which was approved and published on the Official Gazette on March 2, 2026. This new law incorporates several changes, including expanding powers to ARCOM, changes to the exploration stages to provide a maximum term of fifteen years, divided into initial exploration (up to four years) and advanced exploration and economic evaluation (up to eleven years), with automatic transition upon expiration of terms and a description of permitted exploration activities, introduces a general royalty regime applicable to mineral exploitation, among other changes with important implications for the mining industry.

Payment of Mineral Properties in Ecuador

As at the date of this document, the Company has not paid the concession fees corresponding to the year 2026, due by March 31, 2026. The mediation process related to the payment of the balance of the 2025 concession fees, corresponding to 33 concessions, has been closed and negotiations have ceased as a consequence of the implementation of the TASA, which has become a collection priority for the Ecuadorian government. The Company has not made any payment related to the TASA. The delay in addressing a condition of compliance could result in the expiration of the concessions if payment is not fulfilled.

Stock options

Subsequent to December 31, 2025, 253,568 stock options expired unexercised.

Certain directors of the Company agreed to receive their quarterly director fees in the form of stock options in lieu of cash for the first quarter of 2026. In addition, the Company granted the directors additional stock options due to the expiration of out-of-the-money stock options previously granted to the directors in lieu of cash for director fees. An aggregate of 203,000 stock options was granted to directors on March 31, 2026, having an exercise price of \$0.205. All such stock options will be exercisable for a period of three years from the date of grant and vested immediately upon grant.

The Company granted 40,000 stock options to a consultant of the Company on March 31, 2026, at an exercise price of \$0.205. These options are exercisable for a period of one year from the date of grant and vested immediately upon grant.

Warrants

Subsequent to December 31, 2025, an aggregate of 11,078,013 warrants expired unexercised.

On April 23, 2026, a total of 2,625 Finders warrants were exercised into units at a price of \$0.20 per unit. Each unit is composed of one common share in the capital of the Company and one common share purchase Warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of C\$0.45 per warrant share at any time until May 9, 2026.

Promissory Note issued in January 2026

On January 29, 2026, the Company announced the approval from the Board of Directors to receive a loan from Dr. Barron (the "Lender") for \$750,000 to be advanced from time to time in principal amounts as agreed by the parties. The loan is unsecured, bears interest at 2% per annum and matures upon notice of twelve months and one day from the Lender. On April 10, 2026, it was approved by the Lender and the Board of Directors an amendment to increase the amount of the loan to \$1,000,000. All other conditions remain. As at the date hereof, the full amount of the loan has been received.

France Permits Litigation

Subsequent to December 31, 2025, claims were filed before the Rennes Administrative Tribunal in relation to two of the three exploration permits granted to Breizh Ressources in Brittany, France.

On February 2, 2026, the STOP MINES 49-44 Association filed a claim seeking the annulment of the order granting the Bélénos permit and requesting that the French State and Breizh Ressources pay €4,000.

On February 10, 2026, Laboratoires de Biologie Végétale Yves Rocher, Groupe Rocher Opérations and La Grée des Landes filed a claim seeking the annulment of the order granting the Taranis permit and requesting that the French State and Breizh Ressources pay €5,000.



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Breizh Ressources is a co-defendant in both matters alongside the French State. Both cases remain pending as at the date hereof and the Company is unable to determine the ultimate outcome of these proceedings at this time and no amounts have been recognized in these consolidated financial statements in respect of these matters.

Semi-Annual Reporting

On April 13, 2026, the Company announced that it elected to rely on Coordinated Blanket Order 51-933 – Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers and move to semi-annual financial reporting (“SAR”). Under the SAR pilot program, the Company will be exempt from filing interim financial reports and related Management’s Discussion & Analysis (MD&A) for its first and third quarters. The Company will continue to file audited financial statements (due within 120 days of December 31) and six-month interim financial reports (due within 60 days of June 30).

Thormodsdalur Gold Project in Iceland

On April 27, 2026, the Company entered into the Proposed Earn-In (the “Agreement”) with St-Georges and IR in respect of the Thor Project.

Under the terms of the Agreement, the Company may earn up to a 70% interest in the Thor Project by issuing common shares of the Company with a value of approximately USD150,000, incurring aggregate exploration expenditures of approximately USD5,000,000 over four years, and contributing to shared management expenses for an additional USD200,000 over the same period. The Company will have the option to increase its interest to 100% by investing additional USD2,000,000, provided that St-Georges may elect to retain a net smelter return (“NSR”) royalty, applicable to production from the Project licence area, of up to three percent (3.0%), inclusive of pre-existing NSR royalties, in lieu of maintaining its 30% interest in a joint venture for the Project.

Completion of the transaction remains subject to customary post-signing conditions, including any required regulatory approvals. As at the date of these annual consolidated financial statements, no amounts have been recognized in respect of this transaction.

18. QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Jean Paul Pallier, VP Exploration, who is registered as a EurGeol with the European Federation of Geologists and is a “Qualified Person” for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

19. SHARE DATA

Table 19. Summary of share data.

As at	Common Shares	Shares to be issued	Warrants	Agents’ Warrants	Stock Options	RSUs	Fully Diluted
December 31, 2024	104,168,397	184,300	38,805,106	309,597	7,339,468	-	150,806,868
March 31, 2025	104,168,397	184,300	38,805,106	309,597	7,298,468	-	150,765,868
June 30, 2025	109,922,541	184,300	44,554,804	311,347	10,001,468	-	164,974,460
September 30, 2025	125,808,839	184,300	60,441,102	354,000	10,169,468	-	196,957,709
December 31, 2025	132,255,305	25,800	66,872,568	377,380	9,747,468	-	209,278,521
April 27, 2026	132,257,930	25,800	55,849,432	322,503	9,736,900	-	198,192,565

20. ADDITIONAL INFORMATION

The Company

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



Directors, Officers and Management

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

Corporate Office

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Email: info@aurania.com; Website: <http://www.aurania.com>

Registered Office

31 Victoria Street, Hamilton, HM 10, Bermuda.

Exchange Listings

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