AURANIA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the Three Months Ended March 31, 2014
(Expressed in Canadian Dollars unless otherwise indicated)

Dated: May 23, 2014

The following Management's Discussion and Analysis ("MD&A") is Management's review of the financial condition and results of operations for the three months ended March 31, 2014 (the "reporting period") of Aurania Resources Ltd. ("Aurania" or the "Company"). This MD&A is prepared as at May 23, 2014 unless otherwise indicated and should be read in conjunction with the consolidated financial statements and the related notes for the year ended December 31, 2013 ("Annual Financial Statements") 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") – www.sedar.com. The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSXV") under the symbol "AOZ".

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING AND CONTROLS

The Financial Statements have been prepared by management in accordance with IFRS and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Financial Statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in the MD&A is consistent where appropriate, with the information contained in the Financial Statements. In support of this responsibility, the Company maintains internal and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are properly accounted for and adequately safeguarded. The Financial Statements may contain certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the Financial Statements are presented fairly in all material respects. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its audit committee. The members of the audit committee are appointed by the Board and have sufficient financial expertise to assume this role with the Company. The majority of the audit committee members are not involved in the Company's daily operations.

CAUTIONARY NOTE

This MD&A contains "forward-looking information" under applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company's expectations in connection with the expected exploration 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, copper, silver and uranium), currency exchange rates (such as the Canadian Dollar and the Swiss Franc versus the United States Dollar), possible variations in ore grade or recovery rates, changes in accounting policies, changes in mineral resources and mineral reserves, risks related to non-core mine disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development and commissioning 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, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, if any, success of exploration activities, permitting time lines, government regulation and the risk of government expropriation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of labour disputes and/or shortages, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes 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 for the purpose of assisting 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.

1.1 REPORT DATED MAY 23, 2014

1.2 BACKGROUND

The Company

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

Aurania is currently an exploration company engaged in the search for mineral resources which could be economically and legally extracted or produced. This search typically includes the review of existing data, grid establishment, geological mapping, geophysical surveying, trenching and pitting, and reverse circulation and/or diamond drilling to test targets followed by infill drilling, if successful, to define a resource and perhaps ultimately, a reserve.

Directors, Officers and Management

Keith Barron - Chief Executive Officer, President, Chairman of the Board and Director
Donna McLean - Chief Financial Officer and Corporate Secretary
Jean Paul Pallier - Chief Geologist
Elaine Ellingham – Director
Gerald Harper - Director
Marvin Kaiser – Director

Advisors

Stefan Ansermet
Bruno Pellaud

Corporate Offices

Suite 1010, 8 King Street East
Toronto, Ontario Canada M5C 1B5 Tel: (416) 367-3200
Email: info@auraniaresources.com Website: www.auraniaresources.com

The Company's registered office is located at 31 Victoria Street, Hamilton, HM 10, Bermuda.

Nature of Operations

The Company is currently in the process of exploring certain mineral properties in Switzerland. The Company holds a 100% interest in three exploration permits in the Canton of Valais (collectively, the "Permits"), through its wholly-owned subsidiary **AuroVallis Sàrl ("AVS")** which is a Swiss limited liability corporation:

- **Mont Chemin Project (gold-silver)** 31.0 km^2
- **Marécottes Project (uranium)** 36.0 km^2
- **Siviez Project (uranium-copper-gold-silver)** 31.6 km^2

The Company has not yet determined whether these projects contain resources that are economically recoverable. The projects are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

Current Focus

On the exploration front, the Company completed drill programmes on two of its Swiss properties in 2013 (the "drill programmes") and during the reporting period, Management completed the evaluation of the results of the drill programmes in order to finalize its 2014 summer exploration programmes. On the business development front, Management continues to examine and evaluate other potential prospects as industry conditions are creating opportunities for companies such as Aurania, to expand their asset base, despite having only a modest cash position.

Share Data

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2012	16,982,873	776,862 (1)	-	17,759,735
December 31, 2013 and May 23, 2014	22,759,735	350,000 (2)	1,860,000	24,969,735

(1) Special warrants automatically converted to Common Shares upon completion of the Company's Initial Public Offering ("IPO") which closed on April 11, 2013

(2) Broker warrants issued in connection with the IPO (expiry - April 11, 2015)

1.3 STRATEGY AND OBJECTIVES

- Implement 2014 action plans for the Swiss projects
- Remain cognizant of the tight capital market conditions and use cash wisely
- Continue to identify and evaluate other business opportunities to acquire additional mineral resources which could be economically extracted

1.4 OVERALL PERFORMANCE – Financial position, operating results and cash flows

Financial Position
As at March 31, 2014, the Company had not yet achieved profitable production, and had accumulated losses of $5,543,974 (December 31, 2013 - $5,327,921) and will continue to incur losses until achieving commercial production.

Generally the Company is unable to conduct onsite exploration from November until April or until the snow has melted. Management typically uses the time to analyze and plan. During this reporting period, the technical team was occupied finalizing the 2014 programmes for Aurania's three Swiss projects and applying for the second five-year permit renewals of two of the Company's three Swiss projects. Consequently, approximately $38,000 was expended for consulting costs in connection with this work.

During the same reporting period in 2013, the Company was in the final stages of completing an Initial Public Offering ("IPO") while readying for the drill programmes at Mont Chemin and Siviez. A total of $38,521 was expended for project management costs and $223,391 was incurred for professional fees and other costs associated with completing the IPO.

Operating Results
For the three months ended March 31, 2014, the Company posted an operations loss of $216,053 compared to $139,129 for the comparable period in 2013. Approximately 18% of the reporting period expenditures ($38,673) were attributable to project management consulting fees and another 31% of total period expenditures ($66,264) were attributable to the amortized fair value assigned to stock options previously granted to directors, officers and consultants in 2013. *(See Capital Resources).* No stock options were granted during Q1 of 2013.

Cash Flows
During the three months ended March 31, 2014 and 2013 there were no inflows of cash. In Q1 – 2014, Management relied on the proceeds of the Company's 2013 IPO to fund operations while in the same period of 2013, the Company relied on the proceeds from the December 2012 special warrants financing to meet the Company's ongoing financial obligations.

SELECTED PERIOD FINANCIAL RESULTS

Financial Position as at	**Three months ended March 31, 2014**	Three months ended March 31, 2013
Cash	**$580,517**	$194,425
Total assets	**$638,566**	$206,173
Total liabilities	**$124,715**	$426,398
Shareholders' equity	**$513,851**	$(220,225)
Deficit	**$(5,543,974)**	$(3,833,657)

Statement of Loss and Comprehensive Loss and Deficit Data	**Three months ended March 31, 2014**	Three months ended March 31, 2013
Project expenses	**$38,673**	$38,521
Operating expenses	**$170,295**	$98,487
Other expenses	**$7,085**	$2,121
Total loss and comprehensive loss	**$216,053**	$139,129
Basic and diluted loss per share	**$0.009**	$0.008

Cash flows	**Three months ended March 31, 2014**	Three months ended March 31, 2013
Operating	**$(311,969)**	$104,985
Financing	**$-**	$(223,391)
Increase (decrease) in cash for the period	**$(311,969)**	$(118,406)

1.5 RESULTS OF OPERATIONS

A. EXPLORATION UPDATE

A detailed overview, history, description and geological prospects review for the Company's exploration projects may be viewed in Aurania's IPO Prospectus and National Instrument 43-101 Technical Report, both filed on www.sedar.com.

Mont Chemin

In 2013, the Company diamond drilled 1390m in 12 holes to test and investigate:

- the Goilly Vein for continuity at depth and along strike;
- gold showings at the Scheelite and Vouillamoz Pit areas and intervening area; targeting the induced polarization targets generated in the 2011 survey;
- the potential to trench or drill an additional area in close proximity to the Crettaz Vein, where visible gold has been reported and an Aurania sample returned 127,000 ppm Au.

Results were reported as follows:

- Intervals assaying 1gram per tonne ("g/t") or better gold:

Hole Number	From	To	Interval	Gold Assay
MC-2013-01	84.1 metres	86.6 metres	2.50 m	1.77 g/t
MC-2013-01	93.4 metres	95.4 metres	2.00 m	27.93 g/t
Including	94.4 metres	95.4 metres	1.00 m	54.80 g/t
MC-2013-02	29.0 metres	30.0 metres	1.00 m	1.14 g/t
MC-2013-02	58.0 metres	59.0 metres	1.00 m	1.21 g/t
MC-2013-03	41.1 metres	42.4 metres	1.00 m	1.03 g/t
MC-2013-04	67.0 metres	68.0 metres	1.00 m	2.22 g/t
MC-2013-04	95.0 metres	96.0 metres	1.00 m	5.29 g/t
MC-2013-04	175.0 metres	176.0 metres	1.00 m	25.20 g/t
MC-2013-04	184.0 metres	185.0 metres	1.00 m	2.03 g/t
MC-2013-05	No significant assays			
MC-2013-06	33.9 metres	34.9 metres	1.00 m	1.00 g/t
MC-2013-07	No significant assays			
MC-2013-08	No significant assays			
MC 2013-09	20.2 metres	21.2 metres	1.00 m	2.18 g/t
MC-2013-10	No significant assays			
MC-2013-11	No significant assays			
MC-2013-12	No significant assays			

- Intervals assaying 2grams per tonne ("g/t") or better silver:

Hole Number	From	To	Interval	Silver Assay
MC-2013-01	20.0 metres	21.0 metres	1.00 m	4.30 g/t
MC-2013-01	44.8 metres	46.0 metres	1.20 m	21.20 g/t
MC-2013-01	94.4 metres	95.4 metres	1.00 m	8.10 g/t
MC-2013-01	115.0 metres	116.0 metres	1.00 m	11.90 g/t
MC-2013-01	59.9 metres	61.1 metres	1.20 m	4.70 g/t
MC-2013-02	24.5 metres	25.6 metres	1.10 m	7.10 g/t
MC-2013-02	38.7 metres	40.2 metres	1.50 m	30.20 g/t
MC-2013-02	48.8 metres	50.1 metres	1.30 m	23.90 g/t
MC-2013-02	56.0 metres	59.0 metres	3.00 m	2.97 g/t
MC-2013-03	3.6 metres	4.7 metres	1.10 m	3.08 g/t
MC-2013-03	25.0 metres	28.0 metres	3.00 m	3.70 g/t
MC-2013-03	39.4 metres	42.4 metres	3.00 m	3.57 g/t
MC-2013-04	67.0 metres	68.0 metres	1.00 m	6.30 g/t
MC-2013-04	89.9 metres	90.9 metres	1.00 m	9.10 g/t
MC-2013-04	95.0 metres	96.0 metres	1.00 m	22.50 g/t
MC-2013-04	126.0 metres	127.0 metres	1.00 m	130.0 g/t
MC-2013-04	131.7 metres	132.7 metres	1.00 m	7.40 g/t
MC-2013-04	140.0 metres	141.0 metres	1.00 m	4.70 g/t
MC-2013-04	145.0 metres	146.0 metres	1.00 m	18.90 g/t
MC-2013-04	169.0 metres	170.0 metres	1.00 m	2.20 g/t

Hole Number	From	To	Interval	Silver Assay
MC-2013-04	175.0 metres	176.0 metres	3.00 m	7.6 g/t
MC-2013-05	No significant assays			
MC-2013-06	60.0 metres	61.0 metres	1.00 m	10.5 g/t
MC-2013-06	72.0 metres	73.0 metres	1.00 m	24.3 g/t
MC-2013-06	73.0 metres	74.0 metres	1.00 m	2.6 g/t
MC-2013-07	No significant assays			
MC-2013-08	12.75 metres	13.75 metres	1.00 m	2.1 g/t
MC-2013-09	42.15 metres	42.75 metres	0.60 m	2.8 g/t
MC-2013-09	84.0 metres	86.0 metres	2.00 m	3.2 g/t
MC-2013-10	38.5 metres	39.7 metres	1.20 m	2.5 g/t
MC-2013-10	84.0 metres	85.0 metres	1.00 m	3.1 g/t
MC-2013-11	No significant assays			
MC-2013-12	No significant assays			

Next Steps

- Aurania has formulated a second drill programme consisting of drilling several zones from underground in the Hubacher tunnel, an existing adit that was driven to explore for fluorite mineralization in the 1980’s. The tunnel predates the discovery of gold.

Siviez

Upon completion of the Mont Chemin drilling, the diamond drill was mobilized to the Siviez uranium-copper-gold project to complete a 623m programme, in four holes. This programme was designed to test surface showings and radiometric anomalies. This decision was based on the availability of the drill, the minimal mobilization cost, and road access to the northern-most part of the large Siviez property. The holes were selected to better understand the structural geology with the goal of improving target selection for a more significant drill programme planned for this summer.

Although no significant anomalies were intersected by these initial four holes, it is important to note that the Siviez property has uranium-copper mineralization exposed along more than a six km strike length. The mineralization straddles the contact between the Nendaz Series, a Permo-Carboniferous unit of greenschist metamorphosed fluvial to fluvial-deltaic sediments, and the Siviez Series, a complex of predominantly banded metamorphosed mafic volcanic rocks. Uranium mineralization observed in outcrop at Siviez consists of disseminations, pods, and swarms of small veins of pitchblende and coffinite, together with pyrite and ubiquitous copper sulphides (chalcopyrite, tetrahedrite, chalcocite and covellite) as well as secondary copper carbonates (azurite and malachite). Native gold has been identified but its distribution at Siviez is as yet unclear.

Further commentary on the Siviez project may be viewed in a press release dated February 14, 2014 filed on www.sedar.com.

Next Steps

- Comprehensive structural mapping campaign to better constrain future drilling

Marécottes

There was no exploration activity at Marécottes in 2013 or Q1 2014, thus allowing Management to focus its resources on the Mont Chemin and Siviez projects on a timely basis. However, the technical team is weighing the merits of a survey programme for this summer, consisting of radon-in-soil surveying selected target areas within and in the contact zones of the Vallorcine Granite along with prospecting, mapping and sampling along key new mineralized zones identified in 2009 and 2010.

Mining Permits Status and Renewals

The key requirements imposed to maintain the Permits in good standing have all been satisfied except for the drilling obligations which have not been timely met. Accordingly, the area of the Permits, at the discretion of the Canton Authority, may be reduced proportionately and the Company has the right to select the areas to be maintained.

The Company has three exploration Permits that have expiry dates from 2014 to 2015. The Company has applied to have the 2014 Permits (Mont Chemin and Siviez) renewed for a second five-year term and intends to apply for a second five-year term for the Marécottes Permit, at the appropriate time. Management knows of no impediment to obtaining the renewal of the Permits.

B. FINANCIAL PERFORMANCE

At March 31, 2014 the Company had cash of $580,517 and current liabilities of $124,715 ($892,486 cash and $234,106 of current liabilities at December 31, 2013). As the Company is not in production yet, the Company continues to incur net losses. The majority of the expenses incurred in the reporting period relate to project management costs and general and administration costs incurred to maintain an active public company.

Prior to 2013, the Company was privately held and the majority of day-to-day costs such as rent etc. were provided as a benefit by Geosource Exploration Inc., ("GEI"), a company controlled by Dr. Keith Barron, a majority shareholder, officer and director of the Company. Commencing January 1, 2013, the Company agreed to pay its share of the ongoing overhead costs - *See Commitments and Contingencies*. In addition, once the Company became a publicly-traded company (April 2013), it became responsible for other costs such as transfer agent and TSXV sustaining fees, filing fees on SEDAR, directors' fees, directors' and officers' liability insurance premiums and higher audit fees. These new costs impacted the operating results in this reporting period by an increase from Q1 2013 to Q1 2014 of approximately $20,000 - $15,000 for directors fees, $2,500 for business development and investor relations and $2,500 for insurance. These costs were partially offset by lower regulatory and transfer agent fees of $9,400; these costs were higher in 2013 due to the one-time costs associated with completing the IPO and listing the Company's common shares on the TSXV.

In 2013 a total of 1,860,000 stock options ("Stock Options") were granted to directors, officers and consultants. A total fair value of $620,489 was calculated and assigned to these options using the Black-Scholes option pricing model, however this value is being recognized over a three-year vesting period. Accordingly, during the three months ended March 31, 2014 a fair value of $66,264 was recorded as stock-based compensation expense (bringing the total expensed to period end to $450,391). There were no options granted in the same period in 2013. Concurrent with completing the IPO, the Board of Directors approved the payment of fees to directors for their services in the amount of $15,000 annually. Previously no director's compensation was awarded. For the three months ended March 31, 2014, a total of $15,000 was paid to the directors as their quarterly entitlement. No such fees were payable in the same period in 2013.

The Canadian dollar was outperformed by the Swiss Franc and Euro during the period and foreign exchange translation losses increased from $2,121 in March 2013 to $8,492 in March 2014. This other expense was partially offset by $1,407 interest income earned on bank deposits held in savings accounts.

1.6 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Revenue ($) (1)	Net Loss ($)	Loss per Share ($)
March 31, 2014	1,407	232,246	0.010
December 31, 2013	1,934	370,248	0.016
September 30, 2013	3,079	239,385	0.009
June 30, 2013	NIL	884,731	0.044
March 31, 2013	NIL	139,129	0.008
December 31, 2012	NIL	68,096	0.004
September 30, 2012	NIL	51,822	0.003
June 30, 2012	NIL	113,895	0.007

(1) Interest income earned before 2013 was nominal and offset against bank service charges.

1.7 LIQUIDITY

As an exploration company, the Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's liquid assets at March 31, 2014 consisted primarily of cash of $580,517 ($892,486 at December 31, 2013). All of the Company's cash is held on deposit, earning interest where applicable, in accredited Canadian and Swiss banks, in denominations of Canadian Dollars, Swiss Francs and Euros.

1.8 CAPITAL RESOURCES

Junior mining companies typically require frequent capital raises in the development stage. The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company's exploration programmes will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, obtaining certain government approvals and attaining profitable production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

Prior to 2013, the Company relied on private equity financings and loans from related parties to secure sufficient capital to allow the Company to meet its obligations. At March 31, 2014 and December 31, 2013 the Company had working capital of $513,851 and $663,640 respectively, due to the successful completion of the Company's IPO in April 2013.

Working capital will continue to fluctuate until the Company has achieved profitable levels of operation. From inception to date, the Company has raised $917,500 through non-brokered private placements for Common Shares,

$310,745 from a special warrants offering and $2,000,000 (gross) from its IPO. Dr. Keith Barron, a director, officer and principal shareholder of the Company subscribed for 3,500,000 Common Shares of the IPO for subscription proceeds of $1,400,000; this is a related party transaction that was approved by the Board. This same shareholder now has beneficial ownership of 62% of the Company's share capital. The Company remains debt free and its credit and interest rate risks are minimal. Trade payables and accrued liabilities are short-term and non-interest bearing.

The period end cash balance of $580,517 (compared to $892,486 at December 31, 2013) has left the Company with a modest cash position from which to operate. Management is currently reviewing its options to ensure that it has sufficient cash resources to advance exploration on its properties and meet its ongoing working capital needs, in fiscal 2014.

Operating Activities

During the three months ended March 31, 2014, stock-based compensation of $66,264 was expensed to the Statement of Loss and Comprehensive Loss but added back to the Statement of Cash Flows as a non-cash item. This is the fair value assigned to the vesting of stock options during the period. Although the Company's stock option plan was approved in 2011, no options were granted until April 2013 therefore no similar expense was recorded during Q1 of 2013. The Company will continue to amortize the fair value of the stock options over the three year vesting period which ends April 2016. Management believes the granting of stock options continues to be both a cash flow and cost effective way of attracting and incentivizing key personnel and consultants. This cost is calculated using the Black-Scholes option pricing model upon granting stock options and certain parameters of this estimating tool are beyond the control of the Company. Whether or not the stock options will be exercised is also out of Management's control and subject to the investing strategy and objectives of the option holder.

Investing Activities

There were no investing activities during the three month periods ended March 31, 2014 and 2013.

Financing Activities

There was no financing activity during the reporting period for 2014. In the same period of 2013, a total of $223,391 was incurred for professional, regulatory and other costs associated with completing the Company's IPO and listing the common shares of the Company on the TSXV.

Until the Company has achieved regular cash flow, Management will have to secure additional funding for its future exploration and acquisition activities. While Management is reasonably confident it will be successful in future capital raisings there can be no assurance of this, particularly in light of the current, extremely tight capital markets.

1.9 OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off balance sheet arrangements or obligations other than exploration expenditures commitments.

1.10 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:

(i) During the three month periods ended March 31, 2014 and March 31, 2013, a total of $15,000 plus HST was charged to the Company by the Chief Financial Officer on account of management consulting fees. Included in trade and other payables at March 31, 2014 and December 31, 2013 is $5,650 ($28,250 at

March 31, 2013) owed to this officer for providing such services. This amount is unsecured, non-interest bearing and due on demand.

(ii) Also during the three months ended March 31, 2014 a total of $15,000 (2013 - $nil) was paid for directors' fees.

(iii) Effective January 1, 2013, the Company entered into a service costs agreement with Geosource Exploration Inc. ("GEI"), a company of which Dr. Keith Barron is principal shareholder. During the three months ended March 31, 2014, the Company incurred $45,000 (2013 - $45,000) in relation to these contracted services.

(iv) 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 non-executive) of the Company. The remuneration of key management and directors of the Company (net of applicable taxes) is as follows:

For the three months ended March 31,	**2014**	2013
	($)	($)
Directors' fees	15,000	-
Management fees	15,000	15,000
Stock-based compensation	64,256	-
	94,256	15,000

1.11 PROPOSED TRANSACTIONS

The Company has no proposed transaction, specifically with the immediate intent to acquire any additional asset, or dispose of any asset of the Company; however, from time to time, and similar to other junior exploration enterprises, the Company may acquire or dispose of property assets as exploration results, opportunities, competitive nature of the business, venture-capital and management may determine.

1.12 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

a) Changes in Accounting Policies

Except for the changes noted below, the Company has consistently applied the accounting policies set out in Note 2 of the Company's audited annual consolidated financial statements for the year ended December 31, 2013 to all the periods presented in these condensed consolidated interim financial statements.

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 – *Financial Instruments: Presentation* ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The changes to IAS 32 did not result in any adjustments to the Company's condensed consolidated interim financial statements.

IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting.

The changes to IAS 39 did not result in any adjustments to the Company's condensed consolidated interim financial statements.

IFRIC 21 - *Levies* ("IFRIC 21") sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addressed what the obligating event is that gives rise to pay a levy and when should a liability be recognized.

The adoption of IFRIC 21 did not result in any adjustments to the Company's condensed consolidated interim financial statements.

b) New Accounting Standards Issued But Not Yet Effective

The following have not yet been adopted and the Company has not yet determined the impact, if any, on the Company's condensed consolidated interim financial statements:

IFRS 9 - *Financial Instruments* ("IFRS 9") introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 - *Financial Instruments*: *Recognition and Measurement* to be subsequently measured at amortized cost or fair value. The IASB has issued an amendment to IFRS 9 - *Financial Instruments* ("IFRS 9"), which changes the effective date of IFRS 9 (2009) and IFRS 9 (2011), so that IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2018, with early application permitted. This amendment was released in connection with IFRS 7 *Financial Instruments: Disclosures – Transition Disclosures* ("IFRS 7") which outlines that, with the amendments to IFRS 9, entities applying IFRS 9 do not need to restate prior periods but are required to apply modified disclosures.

1.13 RISKS AND UNCERTAINTIES

An investment in the Common Shares of the Company is speculative in nature and involves a high degree of risk.

Exploration, Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to the property, and possible environmental damage. None of the properties in which Aurania has an interest has a known body of commercial ore. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that any of Aurania's mineral exploration and development activities will result in discoveries of commercially viable bodies of ore. In addition, although Switzerland is one of the least risky countries in the world for doing business, exploring in a foreign jurisdiction subjects non-Swiss exploration companies to additional risks including potential political change, arbitrary changes in law or policies, inability or delays in getting government permits, limitations on foreign ownership and other risks not specified here. Foreign currency fluctuations may also adversely affect the Company's financial position and operating results.

Management of Aurania attempts to mitigate all the risks associated with exploration and mining and minimize their effect on the Company's financial performance, but there is no guarantee that the Company will be profitable in the future and the Company's Common Shares should be considered speculative.

Title

Property title may be subject to unregistered prior agreements and non-compliance of regulatory requirements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the title to the permitted properties.

Environmental Matters

The Company's mining and exploration activities are subject to various federal, cantonal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has arranged for the deposit of a substantial guarantee to ensure adequate funding to meet any future expenditure to comply with such laws and regulations. How much the Company will pay and when the Company will pay such expenditures is undetermined.

Foreign Country Risk

The Property Interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

The Company mitigates foreign country risk by keeping apprised of Switzerland's economic and political climate and by relying on certain Advisors, including technical and financial consultants to inform Management of any proposed change to the laws and regulations that could significantly impact the financial results of the Company.

Financial Instruments

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The Carrying amounts of cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities 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.

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

In general, risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures during the three months ended March 31, 2014 and December 31, 2013.

a) ***Credit risk***

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, sundry receivables and other investments.

The Company has no significant concentration of credit risk arising from its operations. Cash is held at select reputable Canadian and Swiss financial institutions, from which management believes the risk of loss to be remote.

b) ***Liquidity risk***

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time.

The Company's approach to managing liquidity risk is to maintain sufficient readily available cash to continue operations and meet its financial obligations as they become due. The Company currently has no significant financial obligations and a modest cash position therefore Management believes that liquidity risk is low. However to advance the projects going forward the Company will have to raise adequate financing in the market through equity issuances or debt mechanisms and that may result in taking on greater financial obligations and potentially increased liquidity risk.

c) Market risk

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

i) Interest rate risk

Excess cash is deposited in highly-accessible and low-interest bank accounts that are used for short-term working capital requirements. The Company regularly monitors compliance to its cash management policy and is satisfied with the credit worthiness of its financial institutions.

ii) Foreign currency risk

Certain of the Company's expenses are incurred in Swiss francs ("CHF") and Euros and are therefore subject to gains or losses due to fluctuations in these currencies.

Management believes that the foreign exchange risk derived from currency conversions is best served by not formally hedging its foreign exchange risk. However the Company maintains bank accounts in foreign currency denominations in order to meets its trade payable obligations on a timely basis and with minimal foreign exchange risk.

At March 31, 2014 and December 31, 2013, the Company's exposure to foreign currency risk with respect to amounts denominated in CHF, was substantially as follows:

In Canadian $ equivalents	March 31, 2014	December 31, 2013
Cash	$36,379	$140,520
Accounts payable and accrued liabilities	(70,545)	(45,562)
Net position	$(34,166)	$94,958

Exposure to foreign currency risk with respect to amounts denominated in other foreign currencies at these dates was immaterial.

d) ***Commodity price risk***

Commodity price risk is defined as the potential adverse future impact on earnings and economic value due to commodity price movements and volatilities. Commodity price risk could adversely affect the Company.

In particular, the Company's future profitability and viability of development depends upon the world market price of gold, uranium and certain other metals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of March 31, 2014 and December 31, 2013, the Company was not a commodity producer. Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

e) ***Sensitivity analysis***

The Company is exposed to foreign currency risk of fluctuations on financial instruments that are denominated in Swiss francs (CHF) and Euros related to cash balances and trade accounts payable.

As of March 31, 2014 and December 31, 2013, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. The Company believes that a 10% strengthening of the Canadian dollar against the Swiss franc at period end would have increased (decreased) the net position of the Company by $3,417 (at December 31, 2013 by $(9,500)). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

1.14 COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, cantonal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. 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.

Pursuant to exploration permit requirements Dr. Barron, a director, officer and principal shareholder of the Company has personally lodged a CHF 500,000 (CDN. $623,250) bank guarantee in connection with any potential reclamation costs to be incurred by the Company in connection with its claims in Switzerland. To date the Company is unaware of any known environmentally assessed costs.

Service Costs and Consulting Agreements Commitments

Effective January 1, 2013, the Company entered into a service costs agreement with GEI, at an annual cost of $180,000. This agreement is automatically renewed annually (unless otherwise terminated). The Company may terminate the agreement with 90 days' written notice provided to GEI, of the Company's intention to terminate the agreement, however, should such termination be effective within two years from April 11, 2013 (the date of completion of the Company's IPO) then a one-time break fee of $75,000 would be payable to GEI, in addition to any other amounts then owed.

The Company also entered into annual consulting agreements dated January 1, 2013 , which were renewed January, 1, 2014, with the Chief Financial Officer and Chief Geologist, for consulting fees of $60,000 per annum (plus applicable taxes) and CHF 545 (Cdn$680) per diem, respectively. Early termination of these contracts requires 90 days' written notice by the Party terminating the agreement therein.

1.15 QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Aurania's Chief Geologist, Jean-Paul Pallier, a designated EurGeol by the European Federation of Geologists and 'Qualified Person' for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

1.16 OUTLOOK

Aurania's Strengths:

- Host country politically stable with good infrastructure and community support
- 100% ownership of three Exploration Permits
- Five field seasons and two drill programmes completed with experienced exploration team in place
- Modest cash position

Aurania's Challenges

- Three multi-target exploration projects that require significant capital to fund additional drilling
- No defined reserves or resources
- Dependent on buoyant commodity price to attract and maintain investor support
- Switzerland not a recognized mining jurisdiction
- Continuing weakened capital markets