AURANIA

AURANIA RESOURCES LTD.

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

For the Three Months Ended March 31, 2017

(Expressed in Canadian Dollars unless otherwise indicated)

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, 2017 (the "Reporting Period") of Aurania Resources Ltd. ("Aurania" or the "Company"). This MD&A is prepared as at May 26, 2017 unless otherwise indicated and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2017, (the "Interim Financial Statements") and the annual consolidated audited financial statements for the year ended December 31, 2016 ("Annual Financial Statements") 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") – www.sedar.com. The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSXV") under the symbol "ARU".

MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING AND CONTROLS

The Financial Statements have been prepared by Aurania's management ("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 ("AC"). The members of the AC are appointed by the Board and have sufficient financial expertise to assume this role with the Company. The majority of the AC 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 26, 2017

1.2 BACKGROUND

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.

Directors, Officers and Management

Keith Barron - Chief Executive Officer, Chairman of the Board and Director
Richard Spencer – President 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 Office:

Suite 1010, 8 King Street East
Toronto, Ontario Canada M5C 1B5
Tel: (416) 367-3200; Fax: (416) 367-3205
Email: info@auraniaresources.com Website: www.auraniaresources.com

Registered Office:

31 Victoria Street, Hamilton, HM 10, Bermuda

Nature of Operations and Company Focus

Aurania is a junior exploration mining company engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals.

1.3 OVERVIEW

RECENT COMPANY HIGHLIGHTS

On May 26, 2017, at the Company's Annual and Special Meeting of Shareholders ("ASM"), the shareholders approved:

- The election of Keith Barron, Elaine Ellingham, Gerald Harper, Marvin Kaiser and Richard Spencer as Directors to serve until the next annual meeting;
- The acquisition of EcuaSolidus S.A., a private company held by Keith Barron ('the Vendor") which holds 42 mineral exploration licenses ("Patentes") in Ecuador (the "Lost Cities – Cutucu Project" or the "Project");
- The completion of a $6,400,000 equity financing (the "Offering");
- A debt settlement with Keith Barron (the "Lender"), whereby the Lender will convert $750,000 of indebtedness, from cash advances and monthly service agreement payments owed to the Lender by the Company, into 375,000 common shares of the Company ("Common Shares") valued at $2.00 per share;
- The ratification of the Company's 2011 Incentive Stock Option Plan; and
- The adoption of a Restricted Stock Unit Incentive Plan.

On May 29, 2017, the Company announced the appointment of current Board member Richard Spencer as its new President, effective immediately. ***See Press Release dated May 29, 2017 – www.sedar.com.***

2017 STRATEGY AND OBJECTIVES

- Commence a Phase I exploration programme on the Lost Cities – Cutucu Project – *see Exploration Update*;
- Concurrently engage and involve local community groups in our Project; and
- Continue to wait for new five-year exploration permits for our projects in Switzerland (to be issued after the Swiss Mining Law is revised).

2017 CHALLENGES IN ACHIEVING OBJECTIVES

- The Lost Cities – Cutucu Project is grassroots exploration. Minimal prior exploration has been conducted in the Project area and therefore minimal technical data is available. There is, however, historical evidence that gold mining occurred in the Project area in Spanish colonial times;
- The Project exploration land package (the "Area of Interest") is very sizeable – more than 207,000 ha to explore. Management needs to determine how best to manage the Programme, both technically and fiscally; and
- The Company has engaged a professional consulting firm to design a hands-on Corporate Social Responsibility ("CSR") programme that will utilize local professionals to liaise with the indigenous people living in and near the Area of Interest.

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

Financial Position

At March 31, 2017, the Company had minimal cash and owed to the Lender: $492,012 of cash advances, pursuant to a step promissory note and $195,522 of monthly service agreement payments. At the recent ASM, the shareholders approved a debt settlement for the issuance of 375,000 Common Shares to extinguish an aggregate of $750,000 of total indebtedness, which included these amounts. The Company has no other long-term debt. Trade and other payables are short-term and non-interest bearing. Subsequent to reporting period end, the Company completed an equity raising, the net proceeds of which have been earmarked for corporate costs and exploration programme expenses in Ecuador. *See 1.19 - Capital Resources*

Operating Results

Q1 F2017 was a period of planning, due diligence, and preparation. The Company incurred a net loss of $187,005 (2016 – $85,960) bringing the Company's accumulated losses to $7,000,704 (December 31, 2016 - $6,813,699). During the period the Company continued to rely on related party loans to meet its ongoing financial obligations.

During the three months ended March 31, 2017, the Company expended $66,504 on consulting fees for technical and CSR fees and expenses in Ecuador and property and permit maintenance costs in Switzerland. *See Exploration Update.*

On July 11, 2016, the Company granted an aggregate of 415,000 five-year stock options, at an exercise price of $0.60 per common share. The Options vest over two years from the date of grant. During the three months ended March 31, 2017, $26,905 was recorded as stock option expense for the vested options, bringing total cumulative stock option expense for the vested options. to $150,588. Management is hopeful that these stock option grants will be a viable source of capital, without broker and other costs, but there is no guarantee that any stock options will be exercised in the future.

At the recent ASM, the shareholders approved the adoption of a Restricted Share Unit ("RSU") Incentive Plan, for directors and officers, employees and consultants. Management had proposed this alternative method of compensation as an alternative means of attracting incentivizing and rewarding superior performance of staff and others. There are no outstanding RSU's.

Cash Flows

During the three months ended March 31, 2016 and 2015, the sole source of financing was short-term related party loans from the Lender.

Subsequent to reporting period end, the Company completed an Offering (with brokered and non-brokered subscriptions) with the issuance of 3,200,890 Subscription Receipts, for gross proceeds of $6,401,780. The Offering is subject to shareholder and regulatory approvals. *See Capital Resources.*

1.5 SELECTED PERIOD FINANCIAL RESULTS

Financial Position as at	**March 31, 2017**	December 31,2016
Cash	**$10,035**	$3,942
Prepaid expenses and sundry receivables	**$32,311**	$2,512
Total assets	**$42,346**	$6,454
Total liabilities	**$837,343**	$641,351
Share capital and premium	**$5,485,934**	$5,485,934

Contributed surplus	**$719,773**	$692,868
Shareholders' deficiency	**$(794,997)**	$(634,897)
Deficit	**$(7,000,704)**	$(6,813,699)
Statement of Loss	**Three months ended March 31, 2017**	Three months ended March 31, 2016
General overhead expenses	**$121,020**	$84,206
Exploration expenses	**$66,504**	$1,216
Stock-based compensation expense	**$26,905**	$-
Total expenses	**$187,524**	$85,422
Other (income) expenses: Interest income (Gain) loss on foreign exchange	 **$-** **$(519)**	 $- $538
Loss for the period	**$187,005**	$85,960
Cash Flow Activities	**Three months ended March 31, 2017**	Three months ended March 31, 2016
Operating	**$(92,179)**	$(57,435)
Investing and Financing	**$98,272**	$53,797
Increase (decrease) in cash during the period	**$6,093**	$(3,638)

1.6 OPERATIONS REVIEW

A. EXPLORATION UPDATE

ECUADOR

On May 29, 2017, Aurania acquired ESA, a company incorporated under the laws of the Republic of Ecuador, from Keith Barron (the "Vendor").

ESA owns the rights, title and interest in and to forty-two (42) mineral exploration licences ("Patentes"), located in the Province of Morona-Santiago in south eastern Ecuador. The Lost Cities - Cutucu Project is subject to a two percent (2%) net smelter returns royalty on metal production, and a two percent (2%) net sales return royalty on non-metallic products, held by the Vendor.

The Lost Cities - Cutucu Project

The area covered by the Patentes for the Lost Cities - Cutucu Project spans forty-two 207,764 ha (~2,080 square kilometres) that covers the core of the Cordillera de Cutucu, a mountain range in the foothills of the Andes, within the Province of Morona-Santiago in south eastern Ecuador.

Historic Spanish literature, including reports of gold production, point to the Cordillera de Cutucu as the location of two famous gold mining areas that operated in the 16th and 17th Centuries: Sevilla del Oro and Logroño de los Caballeros. The exact locations of these historical gold mining centres within the jungle have been lost over time.

Each of these centres is reported to have had a "Caja Real" or outpost of the Royal Treasury to ensure that the King of Spain received the "Quinto" or Royal Fifth production royalty. Extensive research by professional archivists in Spain, the Vatican and Ecuador, commissioned by ESA, revealed more than a hundred supporting historical documents relating to gold mining at Logroño de los Caballeros and Sevilla del Oro. There is strong evidence that indicates that these gold mining centres may be located within the Project area.

Today, the only mining in the Cordillera de Cutucu is in artisanal sluicing and hand-panning operations that wash gold from river gravels. The project area is largely unexplored by modern exploration techniques. It has been subjected only to regional geological mapping by oil companies and government institutions – with the key finding being that the rock formations that host the Fruta del Norte epithermal gold deposit that has a measured and indicated resource of 7.4 million ounces (Moz) (at a grade of 9.6g/t gold contained in 24 million tonnes of mineralized rock), and the Nambija skarn gold deposit in the adjacent Cordillera del Condor, extend into the core of the Lost Cities - Cutucu Project.

During the three months ended March 31, 2017, the Company recorded exploration expenses for the Project, totaling $60,450, as follows:

a) $34,685 for technical consulting fees, travel and supplies costs for the Company's Chief Geologist, incurred for final due diligence and the development of a Phase 1 exploration programme, (the "Programme") for the Project, and b) $25,765 for the fees and expenses of a professional consultant engaged to design a concurrent CSR program, integral to commencing exploration on the Project.

EXPLORATION PROGRAMME

An exploration programme is planned, consisting of airborne geophysics and a regional stream silt sampling program with reconnaissance geological work across the large, 2,080 square kilometre property. While the regional geochemical program is underway, any anomalous stream silt or rock geochemistry sample results will be prioritized for concurrent ground follow up with the goal of identifying drill targets as soon as possible.

CSR AND SUSTAINABILITY MANAGEMENT PROGRAM

The Company has engaged a professional CSR consultant to provide services, including but not limited to:

- Advising the Company on Global CSR standards in the mining sector; and
- Assisting the Company:
    - in assessing social and business risks and opportunities with respect to CSR
    - in developing a CSR Strategic Framework ("CSF")
    - in the execution of the strategies and policies defined in the CSF; and
    - in the engagement of community stakeholders in order to build alliances with key constituency groups.

Commitments and Contingencies

The current tariff for the annual concession fees if $9.37 per ha. Work expenditures for the Project are as follows:

Year 1: US$5 per ha
Year 2: US$5 per ha
Year 3: US$10 per ha and
Year 4: US$10 per ha.

More information on the Lost Cities - Cutucu Project, including a NI 43-101 compliant Technical Report, can be viewed at www.aurania.com.

SWITZERLAND

The Company, through its wholly-owned subsidiary AVS, has been maintaining a 100% interest in three exploration permits (the "Permits") in Switzerland, in the Canton of Valais (the "Canton") subject to a 3% gross value royalty payable to the Canton and a 0.75% gross value royalty payable to the surface rights holders.

Permit Status

In 2015, the Company made formal application to obtain new five-year Permits and were advised that the Canton Authority (the "Ministry") intended to revise the Swiss Mining Law (the "ML") prior to issuing new permits. The applications were deemed legally "frozen", therefore Management believes all rights, title and interest under the Permits, have been preserved.

During the three months ended March 31, 2017, a total of $6,054 was charged to the Projects for Permit maintenance, intercompany and property costs.

To March 31, 2017, Management is unaware of any change in the status of the Permits.

B. FINANCIAL PERFORMANCE

At March 31, 2017, the Company had cash of $10,035 and current liabilities of $837,343 ($3,942 of cash and $641,351 of current liabilities at December 31, 2016). This net cash position would have failed to meet any sufficiency test to meet the ongoing annual corporate costs of the Company; however, subsequent to reporting period end, the Company completed an equity financing, the net proceeds of which will be used to fund the 2017 exploration programme in Ecuador and the ongoing corporate costs for the near term. Prior to this recent raising, the Company was reliant on short-term related party loans - *see Capital Resources.*

Expenditures for the three months ended March 31, 2017 and 2016, year-over-year, were higher primarily due to:

- Increased exploration activity associated with the acquisition of ESA ($66,504 compared to $1,216 in 2016) and designing an exploration programme for same;
- The stock-based compensation expense of $26,905 (2016 - $nil) relates to the stock option expense recognized in the reporting period for vested options; the stock options included in the valuation were granted after Q1 2016 so no similar expense was recorded in the same period, in the prior year.
- Professional fees in this period included initial legal fees incurred in relation to the Transaction and Offering; no such activities occurred during the comparable period in the prior year; and
- Regulatory and transfer agent fees were higher ($14,160 vs. $9,053) year-over-year, due to slightly increased corporate costs associated with being a Bermuda registered company and certain initial costs for the impending Transaction, Financing and ASM.

1.7 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Net Revenue ($)	Net Loss ($)	Loss per Share ($)
March 31, 2017	-	187,005	0.008
December 31, 2016	-	163,073	0.007
September 30, 2016	-	185,481	0.008
June 30, 2016	-	83,785	0.004
March 31, 2016	-	85,960	0.004
December 31, 2015	5	92,384	0.005
September 30, 2015	-	113,953	0.005
June 30, 2015	-	95,349	0.004

1.8 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. As the Company has no producing assets, continued operations are dependent upon its ability to raise additional financing through issuance of equity, debt or by the disposition of assets

On April 20, 2017, Aurania completed a financing with the issuance of 3,200,890 subscription receipts of Aurania (the "Subscription Receipts") at a price of $2.00 per Subscription Receipt (the "Issue Price") for total gross proceeds of $6,401,780 (collectively, the "Offering"). The Offering is subject to the payment of agents' fees and legal expenses. The net proceeds of the Offering shall be used to fund the Transaction, to advance exploration on the Lost Cities – Cutucu Project, to make loan repayments and for working capital. This raising has mitigated the Company's liquidity risk, in the near term.

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 and CHF.

1.9 CAPITAL RESOURCES

The business of mining and exploration involves a high degree of risk. Aurania's continued existence is dependent upon the discovery of economically recoverable resources, obtaining certain government approvals, maintaining concession interest in the properties and the ability to obtain the necessary financing to achieve exploration success.

The Company is not subject to externally imposed capital requirements by a lending institution or regulatory body, 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. With the completion of the above-noted Offering, the Company has remedied any potential capital deficiency as defined by the policies of the TSXV.

Working capital will fluctuate as the Company advances its exploration programme in Ecuador. Budgets for the increased activity have already been augmented to satisfy the additional costs such activity will generate. Management has used best practise to estimate such new costs however any significant unforeseen costs may result in Management having to raise additional funds sooner than anticipated, in order to finance expanded corporate and exploration costs.

Operating Activities

During the three months ended March 31, 2017, the Company reported a use of funds of $92,179 (2016 - $57,435). Increased exploration and CSR costs are the main contributors to this increased use of funds during this period, year-over-year.

During the three months ended March 31, 2017, $26,905 (2016 – $nil) was expensed in relation to the vesting of options and to March 31, 2017, a total of $150,588 of the total value has been recorded. The stock options for which the expense is recorded were granted in July 2016, subsequent to the comparable period in the prior year.

Financing Activities

Since May 2015, Management has been reliant on related party loans to meet the ongoing corporate and exploration expenses of the Company. During the three months ended March 31, 2017, 98,272 (2016 - $53,797) was advanced for this purpose. Subsequent to reporting period end, the Company settled the related party loans with the issuance common shares of the Company. *See Related Party Transactions*.

1.10 OFF BALANCE SHEET ARRANGEMENTS

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

1.11 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 months ended March 31, 2017 a total of $15,000 (2016 - $15,000), plus applicable taxes was charged to the Company by the CFO on account of management consulting fees. Included in trade and other payables at March 31, 2017 is $11,300 (December 31, 2016 - $5,650) owing to the CFO for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand.

(ii) During the three months ended March 31, 2017 a total of $15,000 (2016 - $15,000) was recorded for directors' fees. Included in trade and other payables at March 31, 2017 is $45,000 (December 31, 2016 - $30,000) owing to directors for unpaid directors' fees. These amounts are unsecured, non-interest bearing and due on demand.

(iii) During the three months ended March 31, 2017, the Company incurred $32,400 of service costs, provided by Geosource Exploration Ltd. ("Geosource"), a company controlled by the Chairman and President. These costs were approved by the Board of Directors under an agreement in effect since January 1, 2013 (note 11). These costs were allocated in the condensed consolidated interim financial statements as follows: $17,100 to office and general (including $15,000 rent), $2,700 to investor relations, $6,000 to operations in Switzerland and $6,600 to professional and administration fees. Included in trade and other payables at March 31, 2017 is $195,522 (December 31, 2016 - $163,122) owing to Geosource for these unpaid costs. These amounts are unsecured, non-interest-bearing and due on demand.

(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 nonexecutive) of the Company.

The remuneration of key management and directors of the Company (net of applicable taxes) was as follows:

For the three months ended March 31,	2017	2016
Directors' fees	**$15,000**	$15,000
Management fees	**15,000**	15,000
Stock-based compensation	**26,905**	-
	$56,905	$30,000

1.12 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 mineral exploration enterprises, the Company may acquire or dispose of property assets as exploration results, opportunities, competitive nature of the business, venture-capital availability and Management may determine.

1.13 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in Accounting Policies

During the three months ended March 31, 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards including IAS 1. These new standards and changes did not have any material impact on the Company's condensed, consolidated interim financial statements.

1.14 RISKS AND UNCERTAINTIES

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.

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.

Ability of Community Stakeholders to Impede Project Success

It is paramount that key constituency groups engage with the Company to mitigate the social and business risk associated with exploration on properties owned by foreign, non-shareholding stakeholders.

The Company has engaged a professional CSR company to assist in the development and execution of a CSR Strategic Framework that allows for collaboration with key stakeholders in a non-confrontational, dignified and respectful manner.

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 Ecuador's and Switzerland's economic and political climates 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 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.

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, 2017 and 2016.

(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 and receivables.

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.

The Company no longer has any material risk exposure to any single debtor or group of debtors – *See Capital Resources*.

(b) Liquidity risk

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

See Capital Resources

(c) Market risk

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

(i) Interest rate risk

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

(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, 2017 and December 31, 2016, the Company's exposure to foreign currency risk with respect to amounts denominated in CHF and USD, was substantially as follows**:**

In Canadian $ equivalents	**March 31, 2017**	December 31, 2016
Cash	**$2,815**	$3,108
Trade and other payables	**(36,850)**	(40,340)
Net exposure	**$(34,035)**	$(37,232)

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 volatility. The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of gold, uranium, and other metal commodities.

Commodity prices have fluctuated significantly in recent years. There is no assurance that these metals will be produced in the future or that a profitable market will exist for them. As of March 31, 2017, and December 31, 2016 the Company was not a metals commodity producer.

1.15 COMMITMENTS AND CONTINGENCIES

Environmental Contingencies
The Company's exploration activities are subject to various federal, provincial, municipal 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.

Service Costs and Consulting Agreements
Geosource provides investor relations, administrative and IT services to the Company at a monthly cost of $10,800. This agreement may be terminated by the Company with 90 days' written notice provided to Geosource of the Company's intention to terminate the agreement.

The Company's CFO and Chief Geologist provide services pursuant to annual, renewable consulting agreements. Accordingly, the CFO is remunerated at the rate of $60,000 per annum (plus applicable taxes) and the Chief Geologist is contracted on an 'as needed' basis and compensated at a rate of CHF 545 (CAD 725) per diem. Early termination of the contracts requires 90 days' written notice by the party terminating the agreement therein.

The Company has entered into a consulting agreement (the "Contract") with a professional consultant, to design and implement a CSR program to be run in conjunction with the Project exploration programme. Compensation for services is stipulated at $1,000 per diem for up to 10 days per month ("the Base Services"). Any additional services to be performed over and above the Base Services must be pre-approved in writing. Both parties may terminate the contract with 30 days' written notice.

1.16 QUALIFIED PERSON

The foregoing and technical information contained herein, 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 Administrator.

1.17 SHARE DATA

As at	Common Shares	Stock Options	Fully Diluted
December 31, 2015	22,759,735	1,830,000	24,589,735
December 31, 2016 and May 26, 2017	22,759,735	2,165,000 (1)(2)	24,924,735

(1) 80,000 stock options expired in July 2016
(2) 415,000 stock options granted in July 2016

1.18 TRANSACTION AND FINANCING

On April 19, 2017, the Company a completed a financing with the issuance of 3,200,890 subscription receipts of Aurania (the "Subscription Receipts") at a price of $2.00 per Subscription Receipt (the "Issue Price") for total gross proceeds of $6,401,780 (collectively, the "Offering"). The Offering is subject to the payment of agents' fees, professional legal fees, regulatory and transfer agent costs. The net proceeds of the Offering will be used to fund the Transaction, to advance exploration on the Lost Cities – Cutucu Project, to make loan repayments and for working capital. This Offering was completed on May 29, 2017 (the "Final Closing Date").

Subsequent to the Final Closing Date, the Company satisfied all escrow release conditions and accordingly the net proceeds of the Offering were released to the Company. Each Subscription Receipt will be automatically exchanged for one unit of the Company (a "Unit"). Each Unit of the Company will consist of one common share of Aurania ("Share") and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant shall entitle the holder thereof to acquire one common share at a price of $3.00 (the "Exercise Price") for a period of 18 months following the Closing Date. If the volume weighted average trading price of the Company's Shares on the Company's principal stock exchange exceeds $3.00 for a period of 20 consecutive trading days, the Company may accelerate the expiry date to the date which is 30 days following the date upon which notice of the accelerated expiry date of the Warrants is provided by the Company to the holders of the Warrants. The Subscription Receipts and underlying securities are subject to a resale restriction until August 20, 2017.

<u>Brokered Offering</u>
The Company will pay the co-agents a cash commission of $237,300 being 7% of the aggregate gross proceeds of the Brokered Offering. In addition, the Company will reimburse the Agents for their reasonable expenses and disbursements and issue 118,650 compensation options ("Compensation Options") equal to 7% of the number of Subscription Receipts sold to subscribers therein. Each Compensation Option is exercisable into one Unit at a price of $2.00 for a period of 18 months following the closing date of the Offering. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant ("Compensation Warrant"). Each whole compensation Warrant entitles the holder thereof to acquire one common share (a "Warrant Share") at a price of $3.00 until October 19, 2018. If the volume weighted average trading price of the Company's common shares on the Company's principal stock exchange exceeds $3.00 for a period of 20 consecutive trading days, the Company may

accelerate the expiry date to the date which is 30 days following the date upon which notice of the accelerated expiry date of the Compensation Warrants is provided by the Company to the holders of the Compensation Warrants.

Non-Brokered Offering

The Company will pay a cash commission of $51,100 to an institutional investor (the “Finder”) equal to 7% of the aggregate gross proceeds raised by the Finder and 25,550 Compensation Options equal to 7% of the number of Subscription Receipts sold to subscribers.

The Subscription Receipts and underlying securities of both Offerings are subject to a hold period until August 20, 2017.