AURANIA

AURANIA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2017

(Expressed in Canadian Dollars unless otherwise indicated)

1 INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is Management's review of the financial condition and results of operations for the three and nine months ended September 30, 2017 (the "Reporting Period") of Aurania Resources Ltd. ("Aurania" or the "Company"). This MD&A is prepared as at November 29, 2017 unless otherwise indicated and should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 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") – http://www.sedar.com. The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSX-V") under the symbol "ARU".

2 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, silver and copper), currency exchange rates (such as the Canadian Dollar ("$") and the Swiss Franc ("CHF") versus the United States Dollar ("US$")), changes in accounting policies, 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 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 to 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.

3 DISCUSSION AND ANALYSIS

This report is dated November 29, 2017.

3.1 BACKGROUND

3.1.1 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.

3.1.2 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 - Vice President – Exploration (EcuaSolidus, S.A.)
Elaine Ellingham - Director
Gerald Harper - Director
Marvin Kaiser – Director

3.1.3 New Corporate Office

Suite 1050, 36 Toronto St.
Toronto, Ontario Canada M5C 2C5
Tel: (416) 367-3200; Fax: (416) 367-3205
Email: info@aurania.com; Website: whttp://www.aurania.com

3.1.4 Registered Office

31 Victoria Street, Hamilton, HM 10, Bermuda.

3.1.5 Nature of Operations and Company Focus

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

3.2 OVERVIEW

3.2.1 COMPANY HIGHLIGHTS

At the Annual Special Meeting of Shareholders ("ASM"):

- The Company held its ASM on May 26, 2017, at which time shareholders approved all Resolutions, including the election of directors, the ratification of the Company's 2012 Stock Option Plan and the adoption of a restricted stock unit incentive plan ("RSU Plan"); and
- The shareholders also approved the acquisition of EcuaSolidus, S.A., ("ESA"). The acquisition of ESA resulted in the Company being able to deliver on its objective to acquire certain highly prospective exploration projects in Ecuador. ESA holds the Lost Cities – Cutucu Project (the "Project"), that consists

of 42 mineral concessions covering 2,080 square kilometres ("km^2"), that Management believes to have potential to contain gold and/or copper deposits of significant size.

Finance:

- A $6,400,000 private placement (the "Offering") was successfully completed to finance the Transaction, ongoing G&A, and the start-up of the first phase of exploration; and
- $750,000 of debt was settled through the issuance of 375,000 common shares of Aurania ("Common Shares") valued at $2.00 per share.

Corporate:

- Dr. Richard Spencer, an exploration geologist with extensive experience in Ecuador and in senior management roles, was appointed President. *See Press Release dated May 29, 2017 –* www.sedar.com; and
- The Company appointed Jean-Paul Pallier as Vice President ("VP") – Exploration of ESA. *See Press Release dated November 3, 2017 –* www.sedar.com.

Technical:

- A heliborne geophysics survey was undertaken between August 3 and October 31. Magnetic and radiometric data were collected from the whole of the 2,080km^2 Lost Cities – Cutucu Project. Magnetic and radiometric signatures that clearly define many of the porphyry copper-gold and copper deposits along-trend in the Cordillera del Condor, are being used as a guide in the interpretation of the data. *See Operations – Ecuador.*
- A field office has been established near the Project area. Through our community engagement program, the Company has established a very capable local team of administration and field assistants.
- Six field teams have been trained and deployed to commence stream sediment sampling in the southwestern part of the Project area.

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

3.3.1 Financial Position

At September 30, 2017, the Company had an available cash balance of $1,884,941. These funds are being used to pay corporate costs and exploration expenses of the Project. A large percentage of the Offering proceeds is being used to pay for the heliborne geophysics survey. *See Operations - Ecuador*. Prepaid expenses were higher than those of the same period at December 31, 2016 primarily due to the increased activity related to the acquisition of ESA in May 2017. Additional spending during the Reporting Period included the expansion of staffing and the lodgment of deposits for new office space, in Quito and Macas in Ecuador and Toronto, Canada and additional insurance premiums for increased liability coverage. New property, plant and equipment costs relate to the acquisition of computer and office equipment for the Quito office, the establishment of a field office in the town of Macas, as well as field equipment for the exploration crews. Trade and other payables are short-term and non-interest bearing.

In December 2016, ESA made application to Ecuador's Mining Ministry to be the registered holder of the mineral concessions for the Project. Fees totalled approximately US$9.36 per hectare ("/Ha") and were due by March 31, 2017. Dr. Keith Barron, director and principal shareholder of Aurania, and the then owner of ESA, agreed to loan US$2,000,000 (the "Mineral Concession Loan" or "MCL") to ESA, in order to meet this financial obligation. Accordingly, as part of the Transaction terms, ESA and Aurania committed to a loan arrangement whereby half of the MCL would be repaid out of the Offering proceeds, on closing. This repayment was made. The remaining half of the MCL is interest-bearing at 2% per annum and is due no later than April 19, 2018. This liability of US$1,000,000 ($1,324,702) is recorded in Promissory Notes in the Interim Financial Statements, on the statement of financial position. Common shares, warrants and broker compensation warrants were issued pursuant to the private placement Offering thus increasing shareholders' equity by $1,036,118, to $401,221 (December 31, 2016 – deficiency of $634,897) *See Capital Resources.*

Acquisition of EcuaSolidus S.A

On May 26, 2017, the Company acquired all of the issued and outstanding shares of ESA (the "Transaction") pursuant to an Agreement of Purchase and Sale (the "Agreement") from Dr. Keith Barron, Chairman, CEO and significant shareholder of the Company (the "Vendor"). The transaction did not constitute a business combination as ESA did not meet the definition of a business. As a result, the transaction was accounted for as an asset acquisition at the fair value of the consideration given.

The purchase price consideration paid, and the net assets acquired by the Company were as follows:

Consideration paid	
Cash	$500,000
1,000,000 common shares	1,765,542
Transaction costs	203,769
	$2,469,311

Identifiable assets and liabilities assumed	
Equipment	$4,840
Sundry receivables and prepaid expenses	22,048
Trade payables and accrued liabilities	(165,967)
Promissory notes	(2,902,793)
Fair value of net liabilities assumed	$(3,041,872)

The deficiency of the fair value of the net assets of ESA over the purchase price, in the amount of $5,511,183, has been recorded as Costs associated with the acquisition of EcuaSolidus, S.A. in Interim Financial Statements, on the statement of loss.

As a condition of the closing of the Transaction, the Company agreed to settle certain outstanding debt owed by the Company to the Vendor, or its affiliate or affiliates by issuing Common Shares to the Vendor or as he may so direct, at a deemed price of $2.00 per common share, in an aggregate amount not to exceed $750,000 (the "Debt Settlement").

As a result of the Transaction, but not forming a part of it, the following obligations were acquired:

- A cash repayment of US$1,000,000 for the MCL as discussed above; and
- A 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 the Vendor.

3.3.2 Operating Results

During the nine months ended September 30, 2017, the Company focused on the following:

Corporate Activities:

- The acquisition of ESA, through the completion of a Purchase and Sale Agreement with the Vendor
- Completion of the Offering by working with agents to successfully attract investment in the Company
- Selection and engagement of a professional consultant to design and implement a Corporate Social Responsibility ("CSR") plan for the Project; and
- Meeting with government officials to inform them of plans and progress, as well as to co-ordinate work programs.

Technical Activities:

- Completion of interpretation of satellite imagery to define target areas for potential gold and copper mineralization
- Completion of a heliborne geophysical survey over the Project
- Recruiting a team of geologists to undertake grassroots exploration
- Commencing the stream sediment sampling program that is planned to continue for approximately two years
- Identifying and recruiting a team of suitably experienced field geologists and consultants to focus more on detailed exploration over defined target areas and prepare them for drill-testing; and
- Recruiting of local staff for the CSR team to engage with local communities regarding the proposed exploration program and its potential impacts on the communities. The team is then responsible for arranging access to field areas with the local communities and landowners prior to the arrival of the exploration teams.

The Company incurred corporate expenses of $2,181,095 (2016 - $354,660) for the reporting period. The largest cost was exploration expenditures of $1,288,980 (2016 - $37,079). Stock option expense of $208,508 (2016 - $81,439) relates to $81,794 for 2016 vesting options and $126,714 for vesting options granted in May 2017 to a new officer and director. Other expenses for the period included the costs of acquiring ESA of $5,511,183, an unrealized foreign exchange gain of $154,890 and interest expense of $17,842 for interest accruing on the MCL.

Management and directors' fees increased by $93,194, year-over-year with the hiring of a new President and the addition of a new director. Additionally, the Board authorized a bonus of $25,000 for the CFO in recognition of an increased workload, particularly during the Transaction and Offering period. Regulatory, transfer, and professional and administrative fees were all significantly higher in 2017 due to the extra costs associated with the acquisition of ESA and the Offering. Legal fees and agents' commissions, and other expenses relating to the Offering have been captured in share issue costs. Legal costs, filing fees and other expenses directly attributable to the Transaction, are recorded in Costs associated with acquisition of EcuaSolidus, S.A., in the Interim Financial Statements, on the statement of loss. This item also includes $500,000 cash and the value assigned the issuance of 1,000,000 common shares to the Vendor as consideration for the purchase of ESA.

3.3.3 Cash Flows

During the nine months ended September 30, 2017, cash inflows were provided by related party loans from the Lender and net proceeds of the Offering. Also during the period, the issued and outstanding Common Shares of the Company increased from 22,759,735 to 27,335,625 as shares were issued pursuant to the Offering, for the acquisition of ESA and settlement and repayment of promissory notes to the Lender. The net result of operating, financing and investing activities yielded $1,880,999 to the Company's treasury. During the same period in fiscal 2016, Management relied on $157,140 short-term loans from the Lender to meet the Company's ongoing corporate costs. There was minimal exploration activity during that time.

3.4 SELECTED PERIOD FINANCIAL RESULTS

Financial Position as at	**September 30, 2017**	December 31, 2016
Cash	**$1,884,941**	3,942
Total assets	**2,120,162**	6,454
Total liabilities	**1,718,941**	641,351
Shareholders' equity (deficiency)	**401,221**	(634,897)
Deficit	**$(14,368,929)**	$(6,813,699)

Statement of Loss	**Nine months ended September 30, 2017**	Nine months ended September 30, 2016
Exploration expenses	**$1,288,980**	$37,079
General overhead expenses	**693,774**	236,142
Stock-based compensation expense	**208,508**	81,439
Total expenses before other items	**2,181,095**	354,660
Other (income) expenses:		
Transaction costs	**5,511,183**	-
(Gain) loss on foreign exchange	**(154,890)**	566
Interest expense	**17,842**	-
Loss for the period	**$7,555,230**	$355,226

Statement of Loss	**Three months ended September 30, 2017**	Three months ended September 30, 2016
Exploration expenses	**$1,093,083**	$25,000
General overhead expenses	**299,769**	75,414
Stock-based compensation expense	**57,420**	81,439
Total expenses	**1,440,105**	181,853
Other (income) expenses:		
Transaction costs	**-**	-
(Gain) loss on foreign exchange	**(36,905)**	3,628
Interest expense	**15,420**	-
Loss for the period	**$1,418,620**	$185,481

Cash Flow Activities	**Nine months ended September 30, 2017**	Nine months ended September 30, 2016
Operating	**$(1,888,217)**	$(159,243)
Financing	**4,647,392**	157,140
Investing	**(878,176)**	-
Increase in cash during the period	**$1,880,999**	$2,103

3.5 OPERATIONS REVIEW

3.5.1 OPERATIONS - ECUADOR

Land tenure & permits

Titles to the 42 mineral concessions that constitute the 207,764 hectare ("Ha") Lost Cities – Cutucu Project area in Ecuador, were granted on December 27 and 28, 2016, and are valid for 25 years, renewable for a subsequent 25 years, so long as the concessions are maintained in good standing. Maintenance of exploration concessions during the initial four-year exploration period of the title includes:

- Paying the annual concession fee of US$9.36/Ha to the State; retaining the option to reduce the land position at the discretion of the Company
- Meeting an average annual expenditure commitment of US$5/Ha in the first two years and US$10/Ha in years 3 and 4. The calculation to determine whether expenditure commitments have been met is made at the end of the four-year exploration period

- Obtaining an environmental impact report ("*Informe de Factibilidad Ambiental*") in order to explore the concessions; and
- Locating corner markers on each concession.

The current status of these maintenance items is as follows:

- Concession fees of $2,563,292 were paid for the first year of the exploration period on March 31, 2017;
- The annual exploration expenditure commitment for 2017 has been exceeded with the airborne geophysics survey that was completed over the Project
- An environmental impact report was accepted by the Mining Authorities on May 11, 2017, allowing the Company to undertake exploration activities for the initial four-year term of the 42 concessions; and
- The emplacement of corner markers on the concessions is underway.

The Project Area of Interest may be increased or decreased pursuant to exploration results and this will impact these annual concession payments and minimum exploration expenditure requirements.

Geophysical Survey

A heliborne magnetic and radiometric survey of approximately 12,379 line kilometres was completed over the whole Project area between August 3rd and October 31st by Ontario-based MPX Geophysics Ltd. The survey was designed to identify two principal mineral target-types:

- Epithermal gold targets that, by analogy with deposits in the adjacent Cordillera del Condor, are associated with pull-apart basins developed along north-trending fault zones. Magnetic data from the geophysics program is likely to identify breaks associated with such fault zones, as well as the magnetic cores of intrusive stocks that are typically located near epithermal deposits. Clay alteration associated with epithermal deposits is magnetite-destructive and should therefore, appear as an area of anomalously low magnetism. Some epithermal-related clays contain potassium that may be evident in radiometric data. A typical epithermal target would therefore ideally appear as an area of weak magnetism along a north-trending fault, or in a pull-apart basin identified from magnetic data and interpretation of satellite imagery, with a coincident, elevated potassium radiometric signature; and
- Porphyry copper-gold and copper deposits that, by analogy with deposits in the Cordillera del Condor, have mineralized cores that contain magnetite and biotite and/or potassium feldspar. The magnetic cores are typically 0.8km – 1.5km in diameter and the 400m flight-line spacing flown in the geophysical survey was designed to ensure that even a smaller porphyry would be detected by at least two flight-lines. A typical porphyry target would be defined by a roughly circular area of strong magnetism with a coincident potassic radiometric signature. Instances in which a porphyry system is more completely preserved due to shallower erosion, magnetite-destructive clay alteration may be preserved over the top of the mineralized and magnetic core. This scenario would ideally result in a central magnetic core enclosed by a weakly magnetic ring, coincident with elevated potassium radiometric signature.

Exploration Program

Six field teams have been trained and commenced stream sediment sampling in the southwestern part of the Project area in August. Coverage of the entire concession area is expected to take up to two years. Additional teams are being selected to start detailed ground work on targets as they are identified by data from historic records, satellite imagery interpretation, geophysics, stream sediment sampling, or by a combination of these data sets.

Corporate Social Responsibility

The Company has engaged a professional CSR consultant, Toronto-based O-Trade, to provide services, including:

a) Advising the Company on appropriate application of Global CSR standards for the mining industry in the Project area; and
b) Assisting the Company:
   - to assess social and business risks and opportunities with respect to CSR

- to develop a CSR Strategic Framework ("CSF")
- to implement the strategies and policies defined in the CSF; and
- to engage community stakeholders in order to build alliances with key constituency groups.

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

Exploration Expenditures

During the nine months ended September 30, 2017, the Company recorded exploration expenses for the Project, totaling $1,284,811 (2016 - $nil), as follows:

- $180,906 for salaries and consulting fees for the exploration teams and local administration
- $76,125 in field expenses and equipment
- $72,250 for in-country and international travel for the exploration and CSR teams
- $170,157 for consulting fees and field costs of the CSR team
- $532,072 for the heliborne geophysics survey. This includes $480,580 to the geophysics contractor and $51,492 to the independent consultant that the Company contracted to undertake quality assessment and quality control ("QAQC") throughout the survey period. The consultant will assist in the processing and analysis of the data to define and refine target areas
- $205,331 for land management costs including application and registration of concession permits, and the corresponding legal fees and Country Manager fees and expenses; and
- $47,971 for landsat studies and technical project evaluation fees.

G&A Expenditures

Since acquiring ESA, the Company has expended $87,590 (2016 - $nil) for salaries, benefits and consulting fees for administration costs related to the Quito and Macas offices. In addition, approximately $25,000 was expended for leasehold improvements for these locations. Ongoing rent, supplies, utilities and telecommunications are approximately $7,500 per month for the Quito office. These costs are allocated in the Interim Financial Statements on the statement of loss in office and general and professional and administration fees.

3.5.2 OPERATIONS - 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.

To September 30, 2017, Management is unaware of any change in the status of the Permits.

Exploration Expenditures

During the nine months ended September 30, 2017, a total of $4,169 (2016 - $37,079) was charged to exploration for technical consulting fees, permit maintenance, intercompany and property costs.

3.5.3 FINANCIAL PERFORMANCE

At September 30, 2017, the Company had cash of $1,884,941 and trade and other payables of $394,239 and promissory notes of $1,324,702 ($3,942 of cash and $260,611 of payables and $380,740 of promissory notes at December 31, 2016). Cash is held in an interest-bearing account at large, commercial banks in Canada, Switzerland and Ecuador, and will be used to fund the current Phase 1 exploration program in Ecuador and the ongoing corporate costs in Canada and Ecuador. Prior to completing the recent Offering, the Company was reliant on short-term related-party loans - *see Liquidity and Capital Resources.*

Expenditures for the nine months ended September 30, 2017 and 2016, year-over-year, were higher primarily due to:

- The acquisition of ESA; ($5,518,183 transaction costs including the consideration paid and application for the payment of annual fees for 42 exploration concessions; (US$1,973,198 compared to US$nil in 2016);
- Contracting of the CSR consultant and establishment of a local CSR team; ($170,157 compared to $nil in 2016);
- Contracting of geologists and the equipping of the exploration teams; ($180,906 and $76,125 compared to $nil in 2016)
- Establishment of a field office in the town of Macas, located adjacent to the Project area ($14,827 start-up costs with ongoing rent, utilities and incidentals running $3,581 monthly, compared to $nil in 2016);
- Professional fees in this period included legal fees and other consulting fees incurred in multi-jurisdictions, in relation to the Transaction and Offering; in particular, the Company relied on local counsel to navigate the newly-established application and registration system in Ecuador for the granting of the mineral concessions
- Regulatory and transfer agent fees were higher ($64,455 vs. $28,043 in 2016) year-over-year, primarily due to costs related to the Transaction and Offering including a) the filing fees incurred in Canada and Ecuador, as required by regulatory bodies in several reporting jurisdictions and b) retainer charges and other fees incurred for the services provided by the transfer agent and c) other costs incidental to heightened trading activity
- Investor relations and travel expenses of $146,628 were significantly higher than the $19,643 expended in the same period in the prior year. Expanded marketing efforts with an increased focus on social media resulted in higher expenditures in this area; and
- Higher management and directors' fees were discussed in the Operations Results section above.

3.6 SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Net Revenue ($)	Net Loss ($)	Loss per Share ($)
September 30, 2017	-	1,418,620	0.05
June 30, 2017	-	5,949,606	0.24
March 31, 2017	-	187,005	0.01
December 31, 2016	-	163,073	0.01
September 30, 2016	-	185,481	0.01
June 30, 2016	-	83,785	0.00
March 31, 2016	-	85,960	0.00
December 31, 2015	5	92,384	0.01
September 30, 2015	-	113,953	0.01

3.7 LIQUIDITY AND CAPITAL RESOURCES

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and deficit, which at September 30, 2017 was $401,221 (December 31, 2016 - deficiency of $634,897). 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.

At the ASM held on May 26, 2017, the shareholders approved the Transaction, and a private placement financing for the issuance of 3,200,890 units ("Units") at a price of $2.00 per Unit for gross proceeds of $6,401,780 (collectively, the "Offering"). The following payments were made from the Offering proceeds: commission, legal fees, regulatory and transfer agent fees totaled $723,158, the purchase price of $500,000 was paid to the Vendor, and US$1,000,000 ($1,351,180) was paid to the Vendor as a partial payment of the MCL. *See Acquisition of ESA*. From the closing of the Offering to September 30, 2017, the Company has spent $653,522 for corporate costs and to reduce payables, and $1,288,980 for exploration and corporate costs. Subsequent to September 30, 2017, the Company has spent $534,940 for exploration and corporate costs, with the cost of the airborne survey being the largest single spending item. Cash on hand at November 22, 2017 $1,350,959. These funds are earmarked for paying the balance of the airborne survey and interpretation thereof and ongoing corporate and exploration costs.

As the Company has no steady source of revenues or cash flow and has implemented its exploration plan as anticipated, it is highly probable that additional financing will be required in 2018 to further advance exploration at the Project, to meet ongoing obligations and discharge the Company's liabilities (including the balance of the MCL), in the normal course of business. As anticipated, a significant portion of the initial financing was spent on Project acquisition, mobilizing and training the exploration teams, initiating a CSR program and establishing bases of operation, as well as coverage of the Project with heliborne geophysics. With these all accomplished, the next financing is anticipated to be focused on exploration expenditures to undertake aggressive ground follow up that is to include stream silt geochemical surveys and detailed geological work over priority anomalies identified by the geophysics with the goal of defining some initial drill targets by mid-2018. In order to maximize the efficiency and effectiveness of these programs, Management is considering raising additional funds sooner than anticipated. Management is considering different sources of potential funding to undertake these next phases of exploration, including equity issuances, short-term loans, the exercise of warrants and stock options and JV partnerships.

3.8 FINANCIAL MANAGEMENT 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). Risk management is carried out by Management 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 reporting period.

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

The Company does not have any material risk exposure to any single debtor or group of debtors.

(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. *See Liquidity and 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 CHF and US$ 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 hedging its foreign exchange risk. At September 30, 2017 and December 31, 2016, the Company's exposure to foreign currency risk with respect to amounts denominated in CHF and US$, was substantially as follows:

In C$ equivalents	**September 30, 2017**	December 31, 2016
Cash	**$425,222**	$3,108
Trade payables and promissory notes	**(1,366,720)**	(40,340)
Net exposure	**$(941,498)**	$(37,232)

(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, copper, 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 September 30, 2017, and December 31, 2016 the Company was not a metals commodity producer.

(e) *Sensitivity analysis*

As of September 30, 2017, and December 31, 2016, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on Management's knowledge and experience of the financial markets, the Company believes that a 10% strengthening of the Canadian dollar against the CHF and the US$ at September 30, 2017 would have increased the net asset position of the Company by $94,150 (December 31, 2016 – $3,723). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

3.8.1 Operating Activities

During the nine months ended September 30, 2017, the Company reported a use of funds for operations of $1,888,217 (2016 - $159,243). The activity generated by a public financing, acquiring ESA and associated mineral concessions in Ecuador and the commencement of the exploration program in the Lost Cities – Cutucu Project, all contributed to the significant year-over-year increase in expenditure this period. Specific areas of expenditures are discussed more fully above in the Financial Performance section. The stock-option expense of $208,508 is the estimated fair value of vested stock options granted previously in July 2016 and new options granted in May. Both grants were made by the Board of Directors in order to attract, incentivize and include personnel in the upside potential of the Company, as beneficial stakeholders. Subsequent to September 30, 2017, the Company granted 430,000 stock options and 124,500 restricted stock units ("RSUs") to management, directors and members of the Ecuadorian exploration, community relations and administration team. Values of these incentive awards will be further discussed in Q4, 2017.

3.8.2 Financing Activities

During the nine months ended September 30, 2017, a total of $4,647,392 was provided by financing activities. Private placement proceeds of $5,486,434 were generated from the Offering and the Lender provided $207,972 of short-term loans. On closing of the Transaction, the Company repaid the short-term loans including US$1,000,000 ($1,351,180) of the MCL. This resulted in an outflow of $1,407,014 cash from treasury. In the same period in the prior year, the Lender advanced $157,410 to help the Company meet its financial obligations.

3.8.3 Investing Activities

During the reporting period, the Company established a corporate office in Quito, a field office in Macas, and moved the Toronto staff to a larger shared office space. This expansion of quarters and personnel resulted in the expenditure of $46,391 for leasehold improvements, furniture purchases and computer hardware and software. No similar expenditures were made in the comparable period in the prior year. Certain cash payments associated with the acquisition of ESA included the $500,000 purchase price to the Vendor and a total of $203,769 other transaction costs.

SHARE CAPITAL ACTIVITY and SHARES ISSUED AND OUTSTANDING during the nine months ended September 30, 2017:

	Common Shares #	Share Capital $	Share Premium $
Balance – December 31, 2016	**22,759,735**	**229**	**5,485,705**
Shares issued for private placements	3,200,890	32	6,401,748
Less share issue costs	-	-	(534,482)
Shares issued for acquisition	1,000,000	10	1,765,532
Shares issued for debt settlement	375,000	2	749,998
Warrants issued for private placements	-	-	(750,476)
Broker warrants compensation	-	-	(133,398)
Balance – September 30, 2017	**27,335,625**	**273**	**12,984,627**

WARRANTS ACTIVITY and WARRANTS ISSUED AND OUTSTANDING during the nine months ended September 30, 2017:

	Number of Warrants	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2016	-	-	-
Issued pursuant to Offering	1,600,445	$3.00	$750,476
Issued to agents	72,100	$3.00	133,398
Balance – September 30, 2017	**1,672,545**	**$3.00**	**$883,874**

Number of Warrants Outstanding	Exercise Price	Expiry Date
1,719,095	**$3.00**	**October 19, 2018**

STOCK OPTIONS GRANTED ACTIVITY and ISSUED AND OUTSTANDING during the nine months ended September 30, 2017:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value at Grant/Issue Date
Balance - December 31, 2016	**2,165,000**	**$0.44**	**$739,417**
Issued	150,000	**$2.30**	256,242
Balance - September 30, 2017	**2,315,000**	**$0.56**	**$995,659**

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value at Issue/Grant Date
1,750,000	1,750,000	$0.40	April 11, 2018	$521,184
415,000	138,333	$0.60	July 13, 2021	$218,233
150,000	50,000	$2.30	May 26, 2022	$256,242
2,315,000	**1,938,333**			**$995,659**

3.9 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 nine months ended September 30, 2017:

(i) A total of $59,325 (2016 - $nil), plus applicable taxes was charged to the Company by the President on account of management consulting fees. Included in trade and other payables at September 30, 2017 is $14,125 (December 31, 2016 - $nil) owing to the President, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand.

(ii) A total of $80,088 (2016 - $45,000), plus applicable taxes was charged to the Company by the CFO on account of management consulting fees. Included in trade and other payables at September 30, 2017 is $9,160 (December 31, 2016 - $5,650) owing to the CFO, for unpaid consulting fees and reimbursable expenses. These amounts are unsecured, non-interest bearing and due on demand.

(iii) A total of $49,631 (2016 - $45,000) was recorded for directors' fees. Included in trade and other payables at September 30, 2017 is $15,000 (December 31, 2016 - $30,000) owing to directors for unpaid directors' fees. These amounts are unsecured, non-interest bearing and due on demand.

(iv) Since January 1, 2013, the Company has engaged two management services companies to provide certain services to the Company, including office space, investor relations and marketing, administrative and IT services (the "Services"). Geosource Resources Ltd. ("Geosource" and Big Silver Ltd. ("BSL") are the two management services companies that have provided the Services, and both are owned by a company controlled by Dr. Keith Barron, a principal shareholder and director of the Company. During the nine months ended September 30, 2017, the Company paid an aggregate of $201,235 to Geosource and BSL for the Services provided and costs were allocated in the Interim Financial Statements, on the statement of loss, as follows: $53,800 to office and general for rent, $80,500 (for marketing and telecommunications) to investor relations and $66,935 to professional and administration fees. Included in trade and other payables at September 30, 2017 is $60,150 (December 31, 2016 - $163,122) for unpaid service costs. These amounts are unsecured, non-interest -bearing and due on demand.

(v) 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 nine months ended September 30,	**2017**	2016
Management fees (note 11 (i)(ii))	**$139,413**	$45,000
Directors fees (note 11 (iii))	**49,631**	45,000
Stock-based compensation (note 9 (i)(ii))	**208,508**	19,230
	$397,422	$109,230

3.10 PROPOSED TRANSACTIONS

The Company has no proposed transaction to acquire any additional asset, or dispose of any asset of the Company. However, from time to time, and like other junior mineral exploration enterprises, the Company may acquire or dispose of property assets as determined by Management based on exploration results, opportunities, competitive nature of the business, and venture-capital availability.

3.11 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

3.11.1 Changes in Accounting Policies

During the nine months ended September 30, 2017, the Company adopted several 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.

3.12 RISKS AND UNCERTAINTIES

Management of Aurania attempts to mitigate 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.

3.12.1 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 the hazards and risks normally incidental to exploration and development, many 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 an orebody. 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 orebodies. In addition, exploring in a foreign jurisdiction subjects the Company to additional risks including potential political change, changes in law or policies, inability or delays in obtaining 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.

3.12.2 Ability of Community Stakeholders to Impede Project Success

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

3.12.3 Corporate Social Responsibility

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 and respectful manner.

3.12.4 Property Title

Property title may be jeopardized by unregistered prior agreements or by non-compliance by the Company 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 that challenges to the titles may emerge.

3.12.5 Environmental Matters

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

The Company believes its operations are materially in compliance with all applicable laws and regulations; however the Company has engaged and is reliant upon an environment specialist consultant to keep the Company informed and lawful in all aspects of environmental rules and regulations.

3.12.6 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 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 Company's ability to operate and/or the financial results of the Company.

3.12.7 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.

Capital and Financial Management Risk

See Financial Management Risk

3.13 COMMITMENTS AND CONTINGENCIES

3.13.1 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.

3.13.2 Service Costs and Consulting Agreements

Since January 1, 2013 the Company has retained management services companies to provide certain services more particularly described in Related Party Transactions, at a monthly cost of $10,800. On July 1, 2017, the Services agreement for the Services was assigned to a new management services company, also owned by the same principal shareholder and director. The Services provided to the Company have since been expanded and Management is negotiating revised terms for the Services, accordingly. Management expects the amended Services agreement to be finalized no later than year end.

The Company's CEO provides management services to the Company without receiving any compensation other than stock options granted under the Company stock option plan.

The President provides management services to the Company pursuant to a one-year (renewable) consulting agreement. His annual compensation is $150,000. Early termination of the agreement requires 90 days' written notice and additional compensation is payable in an amount ranging from three months to 24 months of fees, depending on the circumstance..

The Company's CFO provides financial/accounting and corporate secretarial services pursuant to an annual, renewable consulting agreement. The CFO's compensation is $75,000 annum. Early termination of the contract requires 90 days' written notice and additional compensation is payable in an amount ranging from three months to 24 months of fees, depending on the circumstance.

The Company has entered into a consulting agreement (the "CSR Contract") with a professional CSR company to design and implement a CSR program to be run in conjunction with the Project exploration program. Compensation for services is stipulated at $1,000 per diem 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. Either party may terminate the CSR Contract with 30 days' written notice.

On June 14, 2017 the Company entered into an agreement with MPX Geophysics Ltd. for an airborne geophysics program to be undertaken over the 2,080 square kilometre ("Area of Interest") for The Lost Cities – Cutucu Project. Now completed, the heliborne survey measured magnetic and radiometric data for the Area of Interest. The Company agreed to pay $850,000 for the survey and to date the Company has paid a total of $635,000, leaving an unpaid balance of $215,000.

3.14 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.

3.15 SHARE DATA

As at	Common Shares	Warrants	Broker Warrants	Stock Options	RSUs	Fully Diluted
December 31, 2016	22,759,735	-	-	2,165,000	-	24,924,735
September 30, 2017	27,335,625	1,600,445	72,100(1)	2,315,000 (2)	-	31,472,370
November 22, 2017	27,385,625(3)	1,600,445	72,100	2,695,000 (4)	124,500(4)	32,021,870

(1) Agents for the Offering are entitled to purchase 144,200 Agent Units for $2.00 per Unit. Each Agent Unit is comprised of one common share and one-half purchase warrant therefore the purchase of all of the Agent Units and subsequent exercise of the Agents' Warrants would result in the issuance of 216,300 common shares
(2) 150,000 five-year stock options were granted to an office/director
(3) 50,000 stock options were exercised in October 2017
(4) On November 3, 2017, the Board granted 430,000 stock options and 124,500 restricted stock units to directors, officer, employees, and consultants located in Canada and Ecuador.

3.16 SUBSEQUENT EVENT

On November 3, 2017, the Company announced that the Board of Directors granted a total of 430,000 stock options to directors, officers, consultants and management services employees and 124,500 restricted stock units to members of the Ecuadorian exploration, community relations and administration team.