AURANIA

AURANIA RESOURCES LTD.

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

For the Three Months Ended March 31, 2019

(Expressed in Canadian Dollars unless otherwise indicated)

1 INTRODUCTION

Aurania Resources Ltd. ("Aurania" or the "Company") is a publicly traded junior mining exploration company engaged in the identification, evaluation, acquisition, and exploration of mineral property interests, with a focus on precious metals and copper in South America. Aurania's principal asset is a 100% holding of the Lost Cities – Cutucu project ("Project") that covers approximately 208,000 hectares ("Ha") in southeastern Ecuador. This Management's Discussion and Analysis ("MD&A") is a review of the financial condition and results of operations by the management ("Management") of Aurania for the three months ended March 31, 2019 (the "Reporting Period"). This MD&A is prepared as at May 28, 2019, unless otherwise indicated, and should be read in conjunction with the unaudited condensed consolidated financial statements for the three months ended March 31, 2019 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 and are also available on the Company's website http://www.aurania.com.

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 related with exploration concepts on its projects, potential development and expansion plans on the Company's projects, the impact of general business and economic conditions, global liquidity, inflation, inability to raise additional funds as may be required through debt or equity markets, fluctuating metal prices (such as gold, silver and copper), currency exchange rates (such as the Canadian Dollar ("$") and the Swiss Franc ("CHF") versus the United States Dollar ("USD")), changes in accounting policies, risks related to non-core asset disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in exploration time-frames, the possibility of project cost-overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, poor success of exploration sites, permitting timelines, government regulation and the risk of government expropriation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of labour disputes and/or shortages, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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 Q1 2019 HIGHLIGHTS

Exploration achievements on the Project

- Reconnaissance exploration program:
  - Apart from Crunchy Hill, which was recently investigated by scout drilling, ten other epithermal gold-silver targets have been identified and others are being confirmed through follow-up field work and analytical results;
  - Four porphyry copper targets have been identified, three of which have high-grade copper-silver in sedimentary and volcano-sedimentary strata adjacent to magnetic features evident in geophysical data. The magnetic features are interpreted as clusters of porphyry bodies;
  - High-grade copper-silver mineralization in sedimentary and vocano-sedimentary rocks in the belt of magnetic features that are interpreted as porphyries, is now being interpreted as "sedimetary-hosted" copper as opposed to secondary copper blankets that would be restricted to the vicinity of each porphyry body;
  - A silver-zinc-lead target was identified in the reconnaissance exploration program; and
  - The reconnaissance exploration program is now 42% complete with seven teams dedicated to this work.

- Target development:
  - Up to four teams are focused on ridge and spur, and grid, soil sampling to advance various targets towards scout drilling;

- Scout Drilling, Crunchy Hill:
  - Started in the first week of March 2019 and the initial program was completed in May 2019 with 9 holes drilled for a total of 3,204 meters. The original plan had been for 7 holes of approximately 350m, but initial drilling showed the target to be more complicated than anticipated and additional drilling was required;
  - Three discrete targets for epithermal-style gold-silver mineralization are being prepared for scout drilling in the Yawi target area;
  - Further target areas are being prioritized for scout drilling;
  - Legislation around scout drilling has been streamlined so that the permitting process should be shorter and the emphasis from the Ministry of the Environment will be on checking on compliance in the field as opposed to bureaucracy related with the application itself.

Corporate Social responsibility ("CSR")

- Access agreements have been signed with 69% of the communities in the Project area. This work is ongoing.

Payment of 2019 Mineral Concession Fees

- Between March 13 and 15, 2019, a total of USD2,046,475 ($2,727,812) was paid to the Ecuador government, as payment in full for the renewal of the 2019 Mineral Concession Fees for the Company's Ecuador Project concessions.

Finance

- During the quarter ended March 31, 2019, the Company raised $6,432,145 principally through a Rights Offering ("RO") as well as through the exercise of warrants and stock options, requiring the issuance of 2,885,864 common share in aggregate.
- The right to convert a USD2.0 million convertible debt, owed by the Company to its principal shareholder, was exercised for 877,192 common shares on January 28, 2019; and
- The Company extended the maturity date on a $582,775 Promissory Note to May 29, 2020.

4 SELECTED ANNUAL INFORMATION

	Three months ended March 31, 2019 $	Year ended December 31, 2018 $
Cash	**1,240,760**	817,021
Total assets	**1,861,523**	1,308,284
Total liabilities	**1,107,383**	3,882,210
Shareholders' equity (deficiency)	**754,140**	(2,573,926)
Deficit	**(30,789,956)**	(25,668,365)

The significant changes in the selected annual information resulted from the completion of a RO for $5.2 million that improved the cash position and the conversion into shares of a USD2,000,000 convertible debt thereby reducing liabilities and increasing shareholders equity (see 5.2 Finance). The change in deficit is discussed in detail in Section 6 "Three months ended March 31, 2019, compared to three months ended March 31, 2018".

5 DISCUSSION OF OPERATIONS

ECUADOR

5.1 Operations

Mineral Concessions and Obligations

The Company acquired the rights, title and 100% interest in the Lost Cities – Cutucu Project, comprised of 42 mineral concessions that constitute the 207,764 hectare ("Ha") Project area in Ecuador on May 26, 2017. The concessions were granted on December 27 and 28, 2016, and are valid for 25 years, renewable for a subsequent 25 year period, provided that the concessions are maintained in good standing.

Mineral concessions in Ecuador are regulated according to the following timeframes:

- up to four years of initial exploration;
- up to four years of advanced exploration;
- up to two years of economic evaluation of the deposit, which can be extended for an additional two-year period; and
- thereafter, the concessions are in the exploitation phase.

The key requirements for maintaining the good standing of concessions have been met as follows:

- Year 1 (ended December 2017 and Annual Reports presented to the Ecuadorian authorities by March 31, 2018):
  - Concession fees of USD1,973,198 (USD9.50/Ha) were paid by March 31, 2017; and
  - Expenditure on the concessions was required to have exceeded the larger of the USD5.00/Ha (USD1,038,820) stipulated by law or the USD1,060,000 committed by the Company. In-country expenditure recorded in the annual reports presented to the Ecuadorian authorities for 2017, was USD3,354,497, which exceeded the committed minimum expenditure;

- Year 2 (ended December 2018 and Annual Reports presented to the Ecuadorian authorities by March 31, 2019):
  - Concession fees of USD2,004,923 (USD9.65/Ha) were paid by March 31, 2018; and
  - Expenditure on the concessions was required to have exceeded the larger of the USD5.00/Ha (USD1,038,820) stipulated by law or the USD1,090,000 committed by the Company. The in-country expenditure recorded in the annual reports presented to the Ecuadorian authorities for 2018, was USD4,396,820, which exceeded the committed minimum expenditure.

- The Environmental Registration and Environmental Management Plan required for exploration of the concessions were received on June 30, 2017, and both are valid for the 4-year term of Initial Exploration.

Year	Concession Fees (USD)	Expenditure Required (USD)	Committed Expenditure (USD)	Actual Expenditure (USD)
1 (2017)	1,973,198	1,038,820[1]	1,060,000[2]	3,354,497
2 (2018)	2,004,923	2,077,640[1]	1,090,000[2]	4,396,820
3 (2019)	2,046,475	2,077,640[1]	2,098,000[2]	Will be reported in March 2020
4 (2020)	2,050,000[3]	2,077,640	Not yet determined	Will be reported in March 2021

[1] Paid [2] Requirement satisfied [3] Estimated

The size of the concession area constituting the Project may be reduced at the Company's discretion. The high annual concession fees provide a strong incentive to reduce the size of the Project area. The national concession application process was closed in December 2017 and is expected to re-open in late 2019. The closure of the concession application process was for government administrative purposes. Consequently, no new concessions may be added to the Project area at this time. Mineral concessions may be cancelled by the State for various reasons, principally as a result of negligence or misrepresentation on the part of the entity which holds the concessions.

Future Mineral Concession Maintenance Requirements

Maintenance of the full 42-concession package through the Initial Exploration phase requires the following expenditure, summarized in the Table above:

- Year 3 (up to December 2019, and to be reported by March 31, 2020):
  - Concession fees of USD2,046,475 (USD9.85/Ha) which were paid by March 31, 2019; and
  - Expenditure on the concessions must exceed the larger of the USD10.00/Ha (USD2,077,640) required by law or the USD2,098,000 committed by the Company;
- Year 4 (up to December 2020, and to reported by March 31, 2021):
  - Concession fees of approximately USD2,050,000 (USD9.87/Ha) to be paid by March 31, 2020; and
  - Expenditure on the concessions must exceed the larger of the USD10.00 (USD2,077,640) required by law or a higher amount committed by the Company, and to be determined by March 31, 2020.

In Year 5 and beyond, the Company would be regulated by the requirements for conducting "Advanced Exploration" on selected target areas and hence required minimum expenditure cannot be estimated by Management at the reporting date.

The Company engages a third-party auditor and legal counsel to ensure that the filings are completed and remitted on an accurate and timely basis.

New Legislation

Legislation recently enacted allows for scout drilling to be conducted during the initial phase of exploration. All drilling had previously required a change in status of a concession to "Advanced Exploration", which involved additional submissions to the Ministries of Electricity & Non-Renewable Resources and Environment. Further recent legislative changes are aimed at streamlining the application process for scout drilling. Applications will now be submitted electronically, which is expected to free up more time for the environmental authorities to monitor scout drilling activities in the field.

Reconnaissance Exploration

The Company's regional exploration program involves blanket coverage of the Project in a stream sediment sampling program. 42% of the Project area has been covered to date. Analysis of these samples is used to identify areas of metal enrichment. These areas are prioritized as targets based on the combination of elements enriched in the drainage area, the extent to which the elements of interest are enriched, the size of the area of enrichment, as well as its association with geophysical features. Up to eight exploration teams are involved in the stream sediment sampling program.

Target Development

Clay-rich soil, such as that prevalent throughout the Project area, is efficient at capturing metals weathered from the underlying rock. The sampling of soil along ridge crests ("ridge and spur") or subsequently in a regular grid, provides a reliable method of homing in on the source of metals that drained into the rivers, giving rise to the enrichment detected in the stream sediment sampling program. Three teams are currently engaged in the sampling of soils in order to more precisely locate the source of metals in the target areas.

Targets identified to-date are:

- Eleven epithermal-style targets with potential for gold and silver mineralization – one of which, Crunchy Hill, has undergone scout drilling;
- A target for regionally extensive sediment-hosted copper-silver;
- Four porphyry-related targets with potential for copper-silver mineralization; and
- One "manto" - style target for silver-zinc-lead mineralization.

Soil sampling has been completed on three epithermal target areas, and is underway on a fourth, in the Yawi area, and on two of the copper-silver target areas. These targets are being mapped and rock-chip samples are being taken from mineralized or altered boulders and outcrops in order to refine the form and location of each target.

Scout Drilling

Scout drilling constitutes an integral part of exploration in deeply weathered and jungle-covered terrain such as that in the Project area. Scout drilling is necessary to confirm the validity of each target and will routinely be undertaken on the highest priority targets as part of the exploration program.

Scout drilling at Crunchy Hill started the first week of March 2019. The plan was to drill seven diamond drill holes of approximately 350m each, totaling approximately 2,500m. This initial plan evolved as core from the first holes was examined. The target proved to be more complicated than anticipated, resulting in the drilling of two extra bore holes, bringing the total to 9 holes for 3,204 meters

Scout drilling at Crunchy Hill did not intersect significant mineralization in the 6 holes from which assay results have been received as of the effective date of this report. Drilling did intersect alteration that is typically associated with the very upper part of epithermal gold-silver systems, but did not intersect strong vein systems, and mineralization from the remaining holes is anticipated to be weak as in the first holes. The heart of the epithermal system was not intersected in the drilling at Crunchy Hill. Interpretation of the geology, alteration and minor mineralization encountered in the core is ongoing to determine whether the target requires additional drilling in a follow-up scout drilling campaign.

The Yawi 1, 2 and 3 epithermal gold-silver targets are being prepared for scout drilling after Crunchy Hill. It is anticipated that five bore holes of approximately 350m will be drilled on each of the three targets for a total of approximately 5,500m. Additional target areas are currently undergoing detailed exploration and will be prioritized for scout drilling. The intention is that the man-portable diamond drill rig will move sequentially from one target to the next, providing that enough funding is available to maintain this pace of exploration.

Corporate Social Responsibility

The Company's CSR team, under the guidance of Toronto-based O-Trade, has developed a complete Social Management Plan (SMP) to manage and mitigate social risk. The SMP includes early stakeholder engagement, social impact analysis, and defines partnerships with the Ecuadorian government. Specifically, the Company is working with the ministries of the Environment, Health, Agriculture and Education, in addition to its normal-course interaction with the Ministry of Electricity and Non-Renewable Resources. All strategies and their implementation recognize and honour human and indigenous rights.

Formal access agreements have been established with 69% of communities that lie within the Project area. Improved access and infrastructure improvements associated with the Company's exploration efforts has benefitted nine communities directly and 21 indirectly. Since inception of the Project, the exploration team has created over 1,300 part-time work opportunities, equitably distributed across 37 communities. Scout drilling at Crunchy Hill in Q1 2019 resulted in part-time work for approximately 400 men and women.

Contaminated water, poor sanitation, and poor hygiene have been identified as the prime risk to the health of people living and working in the area, for which the Company is investing in education on basic sanitation and water purification methods. The company created the Technical Water Group ("TWG") as part of its investment in protecting water sources and improving basic sanitation and water purification methods. The TWG has completed preliminary assessments of water quality in ten communities within our area of influence. The objective of the assessment is to evaluate various solutions and develop budgets that can be presented to regional government, foundations and communities to find a means of financing, implementing and maintaining potable water standards.

5.2 Finance

During the quarter ended March 31, 2019, the Company raised $6,432,145 principally through a RO as well is the exercise of warrants and stock options, resulting in the issuance of 2,885,864 common shares in aggregate. In addition**,** the right to convert the USD2.0 million convertible debt was exercised for 877,192 common shares on January 28, 2019 and the Company extended the maturity date on the $582,775 Promissory Note to May 29, 2020. Further details are provided below.

Rights Offering ("RO")

On March 8, 2019, the Company announced that it had completed a RO for $5,254,665 (gross), with the issuance of 1,946,172 common shares at $2.70 per share. Eligible registered brokers were entitled to a commission of 3%, and the cash paid for commissions was $209,564 including legal fees, TSX Venture fee and transfer agent fees.

Stand-By Commitment

In connection with the RO, the Company entered into a stand-by purchase agreement with Dr. Keith Barron, Chairman and Chief Executive Officer of the Company, for a commitment amount of $4,000,000 (the "Stand-By Commitment"). As a result, Dr. Barron exercised his rights' entitlement for the purchase of 1,385,790 common shares and purchased an additional 95,691 common shares from the 'Additional' shares pool. Both the basic and additional shares were purchased for $2.70 per share. In connection with the Stand-By Commitment for the RO, Dr. Barron acquired 1,481,481 common shares. Additionally, Dr. Richard Spencer (President) and his family exercised their rights' entitlement for the purchase of 3,457 common shares for $2.70 per share.

Extension of 2017 Promissory Note

On January 28, 2019 and concurrent with the RO described below, the Company announced that it had negotiated a further extension of the 2017 Promissory Note with Dr. Barron, deferring the maturity date from May 29, 2019 to May 29, 2020 (the "New Maturity Date"), whereupon the principal amount and any accrued interest will be payable to Dr. Barron. The Company is currently indebted to Dr. Barron for $582,775, pursuant to the Promissory Note. All other terms of the Promissory Note shall remain in full force and effect.

Repayment and Conversion of Convertible Debenture

On January 28, 2019 the Company announced the issuance of 877,192 common shares from treasury in connection with the repayment of the USD2.0 million convertible debenture issued by the Company to Dr. Barron on May 26, 2018. As dictated by the terms of the Debenture, the unpaid principal amount of USD2.0 million, was converted into common shares at the conversion price of $3.00 per common share, fixed at the March 20, 2018 Bank of Canada exchange rate of USD0.76 to $1.00 such that the maximum number of common shares to be issued upon the exercise of the conversion right would be 877,192 common shares. A total of 10,000 stock options and 52,500 common share purchase warrants were exercised for cash consideration of $20,000 and $157,500 respectfully.

Shareholder Loan 2019

On April 22, 2019 the Company announced that it has entered into an agreement with Dr. Keith Barron, the Company's Chairman and CEO, providing for a loan of up to US$3,000,000 (the "Loan"). The Loan is unsecured, has a term of two years, and bears an interest rate of 2% per annum. The Loan will be used to advance the Company's exploration strategy.

5.3 Corporate

Appointment of CFO
Subsequent to the period end the Company appointed Tony Wood as Chief Financial Officer, replacing Donna McLean. Mr. Wood, Chartered Accountant, has over 20 years' experience overseeing finance and operations, strategic planning and organizational development of various publicly-traded exploration, development and mining companies.

6 THREE MONTHS ENDED MARCH 31, 2019, COMPARED TO THREE MONTHS ENDED MARCH 31, 2018

STATEMENTS OF LOSS	**Three months ended March 31, 2019 $**	Three months ended March 31, 2018 $
Operating Expenses:		
Exploration expenditures (see following table)	**3,995,550**	3,167,316
Stock-based compensation	**239,962**	325,627
Investor relations	**286,036**	180,315
Office and general	**166,902**	125,192
Management Fees	**144,479**	80,173
Professional and administration fees	**48,301**	47,610
Regulatory and transfer agent fees	**41,045**	43,541
Director and advisor fees	**18,578**	16,250
Amortization	**8,374**	3,603
Project evaluation expenses including travel	**12,296**	-
Total expenses	**4,961,523**	3,989,627
Other (income) expenses:		
(Gain) loss on foreign exchange	**(453)**	65,555
Loss on derivative	**121,571**	-
Interest income	**(1,670)**	(1,048)
Interest expense	**40,620**	6,400
Loss and comprehensive loss for the period	**5,121,591**	4,060,534

Exploration Expenditures	**Three months ended March 31, 2019 $**	Three months ended March 31, 2018 $
ECUADOR		
GEOLOGY/FIELD:		
- Salaries, benefits	**$412,100**	$147,609
- Camp costs, equipment, supplies	**113,886**	46,273
- Project management	**84,702**	90,154
- Travel, accommodation	**101,007**	91,073
- Office	**40,155**	49,813
- Environment	**44,032**	11,273
- Water	**11,639**	-
- Drilling	**133,982**	-
GEOCHEMISTRY	**96,575**	37,529
GEOPHYSICS	**16,973**	9,178
CORPORATE SOCIAL RESPONSIBILITY	**171,253**	129,131
FINANCIAL AND ADMINISTRATIVE SUPPORT SERVICES	**37,383**	-
LEGAL AND OTHER COSTS RELATED TO CONCESSIONS	**9,572**	19,680
CONCESSION MAINTENANCE	**2,721,812**	2,535,603
Total exploration expense – Ecuador	**$3,995,071**	$3,167,316
SWITZERLAND	**479**	-
TOTAL EXPLORATION EXPENSE	**$3,995,550**	$3,167,316

The Company incurred a loss for the period of $5,121,591 compared to $4,060,534 in the corresponding period in 2018. Exploration expenditures represent the largest part of this and are discussed below.

Geology/field

- **$412,100** (2018 - $147,609) for salaries and consulting fees for the exploration teams comprised of geologists, technicians, guides and other part-time or occasional field assistants. This 180% increase in expenditure over Q1, 2018 reflects acceleration of the reconnaissance exploration through the training and contracting of technicians resident in the Cutucu area, focused field work on soil sampling and detailed mapping to refine targets for scout drilling, and preparation for scout drilling at Crunchy Hill. Up to eight teams conducted regional stream sediment sampling, up to four teams were engaged in soil sampling and three teams undertook follow-up mapping and more detailed sampling;
- **$113,886** (2018 - $46,273) for field supplies, equipment, food and accommodation for the exploration teams. The 150% increase in supplies and food for the field camps relates to the point above;
- **$84,702** (2018 - $90,154) for project management fees; this includes salaries and benefits for the VP Exploration and 70% of the consulting fees of the President, for the proportionate allocation of his time spent on the Project;
- **$101,007** (2018 - $91,073) for in-country and international travel for the exploration team members;
- **$44,032** (2018 - $11,273) for environment, health & safety ("EHS"). The 300% increase in expenditure in EHS in Q1, 2019 compared with Q1, 2018, relates to the elevation of this function to an operational department based in the Macas field office, with support from a well-qualified and experienced Quito-based consultant;
- **$11,639** (2018 - $Nil) for water management. In recognition of the importance of water management, the necessity for purification and water permitting, an operating department has been established in Macas to manage water affairs;
- **$40,155** (2018 - $49,813) for overhead including rent, telecommunications and administrator for the Macas and Quito offices.

Geochemistry

- **$96,575** (2018 - $37,529) this 150% increase in expenditure relates to the processing and assay of 527 stream sediment samples, 892 soil samples and 215 rock-chip samples in Q1, 2019 compared with 223, none and 122 samples in the prior period.

Geophysics

- **$16,973** (2018 - $9,178) for consulting fees for on-going interpretation of data from the heliborne magnetic survey that was completed in 2017;

Corporate Social Responsibility

- **$171,253** (2018 - $129,131) for consulting fees, field costs, travel and accommodation of the CSR team, and various community initiatives. The 30% increase in CSR expenditure from Q1 2018 to Q1, 2019 relates to engagement with a larger number of communities as access is granted to a larger area, as well as management of community relations in preparation for the scout drilling at Crunchy Hill;

Support Services (Toronto)

- **$37,383** (2018 - $Nil) –for Toronto personnel in the areas of project accounting, legal, translation, IT, communications and administration for the Project;

Legal costs for concession maintenance

- **$9,572** (2018 - $19,680) for legal and other professional costs related to maintenance of mineral concessions, CSR access permissions and annual reporting to maintain the concessions in good standing. This reduction in fees associated with the concession maintenance reflects Management taking on more of the responsibility for this function whereas previously, the majority of the work was outsourced as the technical team were brought up to speed;

Annual mineral concession fees

- **USD2,046,475 / CAD$2,727,812** (2018 - USD2,004,923 / CAD$2,626,449) in annual and other fees for the 42 concessions, were paid to the State. Annual fees paid to the Ecuadorian State increased from USD9.65 in 2018 to USD9.85/Ha in 2019.

Other significant non-exploration expenditures are as follows:

- A stock-based compensation expense of **$239,962** (2018 – $325,627), was less as the prior year included an expense related to issuing Restricted Stock Units ("RSUs"), where none were granted in the current period;
- Investor relations **$286,036** (2018 - $180,315): This 60% increase in expenditure relates to expanded marketing efforts with an increased focus on social media and domestic and international presentations to potential investors all resulted in higher expenditures in this area;
- Office and general **$166,902** (2018 - $125,192): This 35% increase was due to a general increase in administration and travel in Ecuador commensurate with the increased level of operational activity;
- Management fees of **$144,479** (2018 - $80,173) increased 80% due to corporate consulting services incurred in the quarter, flexibly augmenting current management as the company grows; and
- Smaller amounts for Professional and administrative fees, Regulatory and transfer agent fees, Director Fees, project evaluation and amortization are broadly in line with the prior period.

Cash Flow Activities	**Three months ended March 31, 2019**	Three months ended March 31, 2018
Operating	**$(4,787,897)**	$(3,924,569)
Financing	**5,222,601**	4,673,708
Investing	**(10,965)**	(61,035)
Increase in cash during the period	**$423,739**	$688,104

For the three months ended March 31, 2019, the Company's cash position increased by $423,739. The main cash outflows for the current reporting period consist of exploration and corporate expenditures described in the above section on Statement of Loss and included as Operating activity in the Cash Flow statement and the principal cash inflows came from financing activities as described in section 5.2 Finance**.**

7 SUMMARY OF QUARTERLY RESULT

Quarters Ended	Net revenue ($)	Net Loss ($)	Loss per Share($)
March 31, 2019	-	5,121,591	0.17
December 31, 2018	-	2,087,577	0.07
September 30, 2018	-	1,512,335	0.05
June 30, 2018	-	1,948,898	0.07
March 31, 2018	-	4,060,534	0.15
December 31, 2017	-	1,690,051	0.07
September 30, 2017	-	1,418,620	0.05
June 30, 2017	-	5,949,606	0.24

8 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 March 31, 2019 was a surplus of $754,140 (December 31, 2018 - $(2,573,926)). The Company manages and adjusts its capital structure based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this considering changes in economic conditions and the risk characteristics of the underlying assets. There has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2018.

The Company is not subject to externally imposed capital requirements by a lending institution or regulatory body, other than those of the TSXV, which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at December 31, 2018, the Company may not be compliant with the policies of the TSXV. The impact of this non-compliance is not known and is ultimately dependent on the discretion of the TSXV.

The Company's continued existence is dependent upon Management's ability to obtain the necessary financing to advance exploration on its Project.

Funding Outlook

As the Company currently has no source of revenues or cash flow, periodic financings are required to advance exploration at the Project, to meet ongoing obligations and discharge the Company's liabilities in the normal course of business.

The proceeds of the Rights Offering, before legal costs and commissions generated $5,254,665 in cash. These funds have been used to pay the 2019 concession fees, and to fund the on-going scout drilling, CSR and corporate costs in both Ecuador and Toronto. Management will most likely pursue additional financing to continue its scout drilling program through 2019; the sources of which may include equity issuances, short-term loans and the exercise of warrants and stock options.

9 INDEBTEDNESS

The Company's activities are partially funded by loans from a major shareholder and are described in detail in the unaudited condensed interim financial statements for the three-month period ended March 31, 2019. The significant changes in those debt instruments during the quarter are described in section 5.2 Finance above.

10 EQUITY

Share Capital – Activity during the three months ended March 31, 2019:

	# Shares	Par Value	Share Premium
Balance – December 31, 2018	**32,036,874**	**$319**	**19,983,179**
Shares issued for rights offering	1,946,172	19	5,254,646
Less share issue costs	-	-	(209,564)
Shares issued for exercise of options	10,000	-	28,597
Shares issued on debt conversion	877,192	1	2,987,093
Shares issued for exercise of warrants	52,500	-	182,683
Balance – March 31, 2019	**34,922,738**	**$339**	**28,226,634**

Stock Options - Activity during the three months ended March 31, 2019:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
Balance - December 31, 2018	**1,516,260**	**$2.92**	**$1,806,852**
Issued	180,000	$3.40	116,679
Issued	48,000	$3.40	54,303
Exercised	(10,000)	$(2.00)	(8,597)
Stock-based compensation expense	-	-	107,691
Balance – March 31, 2019	**1,734,260**	**$2.15**	**$2,076,928**

Stock options – Outstanding at March 31, 2019:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
20,000	20,000	$2.00	May 3, 2019	$17,195
1,260	1,260	$3.00	May 26, 2020	1,168
415,000	415,000	$0.60	July 13, 2021	198,232
150,000	100,000	$2.30	May 26, 2022	108,191
370,000	246,667	$2.00	November 2, 2022	144,293
250,000	166,667	$2.89	March 2, 2023	361,667
300,000	100,000	$2.68	April 5, 2023	200,000
180,000	-	$3.40	January 16, 2024	-
48,000	16,000	$3.40	January 16, 2024	40,000
1,734,260	**1,065,594**			**$1,070,746**

Restricted Stock Units - The following summarizes the RSU activity during the three months ended March 31, 2019:

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2018	**67,000**	**$1.98**	**$132,581**
Stock-based compensation expense	-	-	9,288
Balance – March 31, 2019	**67,000**	**$1.98**	**$141,869**

Warrants - The following summarizes the warrants and Agents' Options activity and outstanding warrants and Agents' Options for the three months ended March 31, 2019:

	Number of Warrants/ Agents' Options	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2018	**2,259,051**	**$2.92**	**$1,123,509**
Exercised	(42,500)	($3.00)	(19,933)
Exercised	(10,000)	($3.00)	(5,250)
Balance – March 31, 2019	**2,206,551**	**$2.94**	**$1,098,326**

11 KEY MANAGEMENT EXPENSE

In accordance with IAS 24, key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The remuneration of key management and directors of the Company was:

For the three months ended MARCH 31,	2019	2018
Management fees (1)	**$144,479**	$80,173
Management fees (1)	**84,704**	90,154
Director and advisor fees (2)	**18,578**	16,250
Stock-based compensation (3)	**117,332**	232,136
Total key management compensation expense	**$365,093**	$418,713

(1) 2018 - This includes 100% CFO fees, Toronto, 100% salary/benefits of the Country Manager, Ecuador, and 30% of the President's compensation. The remaining 70% of the President's compensation and 100% of the compensation paid to the VPX has been charged to exploration. In 2017, the CFO was the only paid Management consultant.

(2) Directors' compensation totals $60,000 per annum. On March 2, 2018, Alfred Lenarciak was appointed as a financial advisor to the Company. Mr. Lenarciak's compensation is $15,000 per annum or $1,250 per month.

(3) This amount is the fair value expense of vested stock options and RSUs granted to key Management during the three months ended March 31, 2019. The balance of $108,796 is the fair value expense of stock options and RSUs granted to other employees and consultants not included here.

12 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 in the three months ended March 31, 2019:

(i) A total of $37,500 (2018 - $37,500), plus applicable taxes was charged to the Company by a management company controlled the President, on account of management consulting fees (the "Fees"). Included in the Fees is a charge of $960 for geographic information systems services provided to the Company by the spouse of the President. Included in accounts payable and accrued liabilities at March 31, 2019 is $13,460 (December 31, 2018 - $nil) owed to the President's company, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand.

(ii) A total of $18,750 (2018 - $18,750), plus applicable taxes were charged to the Company by a management company controlled by the Chief Financial Officer ("CFO"), on account of accounting consulting fees. Included in accounts payable and accrued liabilities at March 31, 2019 is $6,250 (December 31, 2018 - $nil) owed to the CFO's company, for unpaid consulting fees. These amounts are unsecured, non-interest bearing and due on demand.

(iii) During the three months ended March 31, 2019, the Company incurred $36,000 (2018 - $127,500) of service costs provided by a company owned by a company controlled by a director/principal shareholder of the Company ("New ServiceCo") for certain services. At March 31, 2019 $36,000 (December 31, 2018 - $82,500) remains payable to New ServiceCo, for unpaid services. These amounts are unsecured, non-interest bearing and due on demand. - See section 18 Commitments and Contingencies.

13 OFF-BALANCE SHEET TRANSACTIONS

There are no other transactions contemplated at this time.

14 PROPOSED TRANSACTIONS

The Company is considering the acquisition of additional assets and more information will be forthcoming if proposed transaction comes to fruition. Like other mineral exploration enterprises, the Company may acquire or dispose of property assets as part of its normal-course business as determined by Management based on exploration results, opportunities, the competitive nature of the business, and venture-capital availability.

15 CRITICAL ACCOUNTING ESTIMATES

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

(a) the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;

(b) the inputs used in accounting for stock-based compensation expense in the condensed consolidated interim statement of loss;
(c) the $nil provision for decommissioning and restoration obligations which are included in the condensed consolidated interim statement of financial position; and
(d) the existence and estimated amount of contingencies (See 18 Commitments and Contingencies).
(e) the valuation of the acquisition of ESA.

16 CHANGES IN ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

Changes in Accounting Policies
During the three months ended March 31, 2019, the Company adopted several new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 9 and IFRIC 22. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

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

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

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

17 RISKS AND UNCERTAINTIES

There are no significant changes in the material risk and uncertainties faced by the company from those reported in the Management Discussion and Analysis for the year ended December 31, 2018.

18 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. The Company conducts its operations so as to protect public health and the environment and believes that its operations are materially in compliance with all applicable laws and regulations.

Service Costs and Consulting Agreements
Commencing January 1, 2019, the Company entered into an agreement with New ServiceCo for office rent and general office services. Termination of the agreement can be effected with 90 days' notice by either party.

The President provides management services to the Company through a personal management company pursuant to a one-year, renewable consulting agreement. The President's annual compensation is $150,000. Should the Company effect early termination of the agreement, a three-month notice period is required, and the President would be entitled to an additional lump-sum cash payment equal to three months of monthly retainer fee. Should the President's agreement be terminated due to a change of control, additional compensation would be payable to a maximum of two years' retainer fees and any unvested options would vest immediately.

The Company's CFO provides financial/accounting and corporate secretarial services to the Company pursuant to an annual, renewable consulting agreement, also through a personal management company. The CFO's annual compensation is $75,000 for a 50% time commitment. Early termination of the agreement requires 90 days' written notice by either the CFO or the Company.

Since mid-year 2017, the Company has run a CSR program under the guidance of a Toronto-based consulting firm, in tandem with the Project exploration program. Compensation for services provided by the consultants 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. Either party may terminate the CSR Contract with 30 days' written notice.

19 SUBSEQUENT EVENTS

(i) **Promissory note 2019**

On April 22, 2019 the Company announced that it has entered into an agreement with Dr. Keith Barron, the Company's Chairman and CEO, providing for a loan of up to US$3,000,000 (the "Loan"). The Loan is unsecured, has a term of two years, and bears an interest rate of 2% per annum. The Loan will be used to advance the Company's exploration strategy.

(ii) **Appointment of Mr. Tony Wood as Chief Financial Officer**

On April 22, 2019 Aurania announced Mr. Tony Wood as Chief Financial Officer ("CFO") replacing Donna McLean. His consulting fee of $12,000/ month based on half time or approximately 20 hours per week, with any additional hours charged over the monthly 20 hours. His travel cost will be billed on a flat rate per trip, at a rate of $1,000 per return trip between B.C and Toronto, and at a rate of $1,500 per return trip between Canada and Ecuador or other non-North America destination.

(iii) **Establishment of Subsidiary**

The Company has constituted an additional subsidiary which has been funded with USD1.7 million from the USD3.0 million promissory notes entered into on April 22, 2019.

20 QUALIFIED PERSON

The foregoing and technical information contained has been prepared or reviewed by Jean Paul Pallier, VPX, 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.

21 SHARE DATA

As at	Common Shares	Warrants	Agents' Options and Warrants	Stock Options	RSUs	Fully Diluted
December 31, 2018	32,036,874	2,259,051	79,442	1,516,260	67,000	35,958,627
March 31, 2019	34,922,738	2,206,551	79,442	1,734,260	67,000	39,009,991
May 28, 2019	34,945,238(1)	2,204,051(1)	79,442	1,714,260(1)	61,000(2)	39,003,991

(1) A total of 22,500 common shares have been issued since March 31, 2019 in relation to the exercise of: 20,000 stock options and 2,500 warrants (Tranche 1-2018).

(2) A total of 6,000 RSUs were exercised (Nov 2, 2017).

22 ADDITIONAL INFORMATION

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

Directors, Officers and Management
Keith Barron – Chief Executive Officer, Chairman of the Board of Directors ("Board") and Director
Richard Spencer – President and Director
Antony Wood – Chief Financial Officer
Jean Paul Pallier – Vice President - Exploration ("VPX")
Elaine Ellingham – Director
Gerald Harper – Director
Marvin Kaiser – Director
Alfred Lenarciak - Director

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Toronto, Ontario Canada M5C 2C5
Tel: (416) 367-3200
Email: info@aurania.com; Website: http://www.aurania.com

Registered Office
31 Victoria Street, Hamilton, HM 10, Bermuda.

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