



AURANIA

RESOURCES LTD.

# 2019 Annual & Special Meeting Operations Update

Richard Spencer on behalf of Board & Management

June 20, 2019



This presentation contains forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Aurania. Forward-looking statements include estimates and statements that describe Aurania's future plans, objectives or goals, including words to the effect that Aurania or its management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to Aurania, Aurania provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this presentation includes, but is not limited to, Aurania's company's objectives, goals or future plans, statements, exploration results, potential mineralization, the company's portfolio, treasury, management team and enhanced capital markets profile, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure or inability to complete the Transaction on the terms as proposed, failure to obtain the required approvals of the Aurania's shareholders and regulators, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, regulatory, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate the indigenous communities, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in Aurania's public documents filed on SEDAR. Although Aurania believes that the assumptions and factors used in preparing the forward-looking information in this presentation are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this presentation, and no assurance can be given that such events will occur in the disclosed time frames or at all. Aurania disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The technical information contained in this presentation has been verified and approved by Aurania's VP Exploration, Jan-Pol Pallier, a designated EurGeol by the European Federation of Geologists and "Qualified Person" for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

- People
- Jurisdiction
- Exploration update:
- Plans

## Keith Barron

*Ph.D.*  
CEO and Chairman



## Leanne Baker

*Ph.D., MBA*  
*Independent Director*



## Warren Gilman

*B.Sc., MBA,*  
*Independent Director*



## Jonathan Kagan

*M.A., A.B.*  
Independent Director



## Alfred Lenarciak

*B.Eng, M.Sc*  
Independent Director



## Richard Spencer

*Ph.D., P.Geo., C.Geol.*  
President and Director



## Board:

**Elaine Ellingham**

*M.Sc., MBA, P.Geo.*



**Gerald Harper**

*Ph.D., P.Geo.*



**Marvin Kaiser**

*B.Sc, CPA*



## Management:

**Donna McLean,**

*B.A, CFO*





**Keith Barron, *Ph.D***  
CEO



**Richard Spencer, *Ph.D***  
President



**Tony Wood, *B.Sc, CA***  
CFO



**Claudia Fierro-Renoy, *B.BA***  
Ecuador Admin Manager



**Ana Noriega, *B.A, B.F***  
Financial controller



**Jean Paul Pallier, *M.Sc., EurGeol.***  
VP-Exploration



**Carolyn Muir, *B.Sc.***  
Manager, Investor Services



**Monica Ospina, *M.Sc***  
Head of CSR



**Paul Gaudet**  
Manager, IT & Communications



**Carolina Diaz, *LLB, MIB, PMP***  
Legal Manager

- People
- Jurisdiction
- Exploration update:
- Plans

## Exploration Hotspot

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- IN COUNTRY
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- HANCOCK**  
PROSPECTING
- 

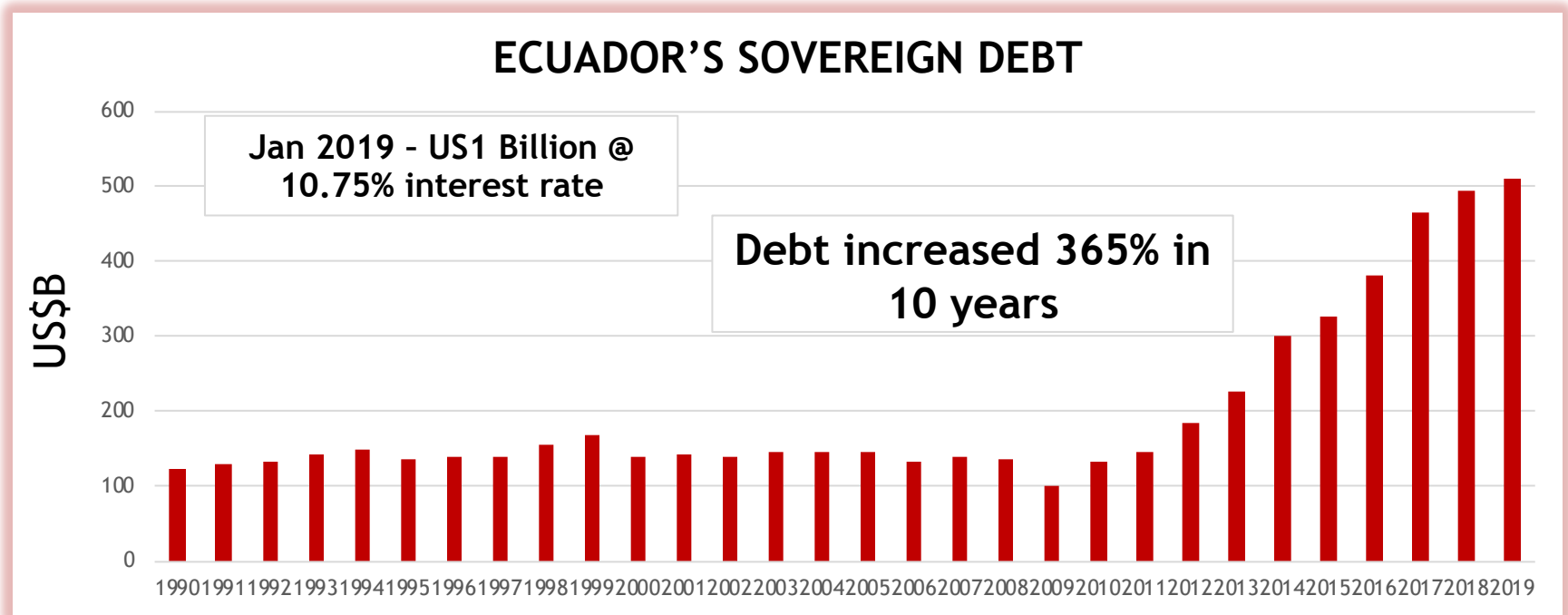


**Forecast: Annual supply deficit by 2028 estimated to be 10x annual output of Escondida (world's largest copper mine)  
(Wood Mackenzie)**



Image courtesy of BHP

- Constitutional court decision pending: whether to allow local veto of development projects (anything, not just mining).
- 
- Articles 261 & 313 of the Constitution is clear: “The State reserves the right to administer, regulate, control & manage the strategic sectors, among which are non-renewable resources.”
- Current Law: 5% Net Smelter Return Royalty paid to State - 60% of that returned to local communities.



## Responsible Mining as Driver of Economy

- Stimulant for sustainable development
- Target - Contribute 4% of GDP by 2021, up from 1.5% in 2018

## Tax Regime

- Tax exemptions to attract investment
- (Windfall tax abolished mid-2018)

## Process Simplification

- Permitting & Reporting

## Local Community Involvement

- Clarify rules re community engagement

**Environmental, Social & Governance**

## Environment & Sustainable Development

- Tighten checks on environmental compliance by companies
- Facilitate sustainable development of communities adjacent to mining projects

## Illegal Mining

- Appropriate control to minimize environmental impact & capture taxes & royalties

Request  
access



Formalize access  
agreements



Community



Ministry of Agriculture

## Agriculture by example:

- Community selects area to be developed
- Ministry of Agriculture provides hand-on training
- Community tests which nutritional & cash crops have best production



**Pitahaya**  
aka Dragon Fruit



**Sacha Inchi nut**

Community



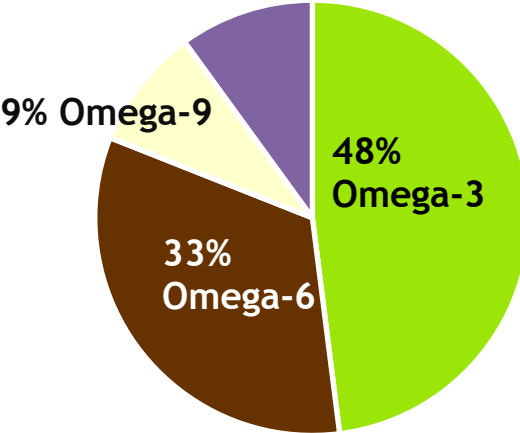
Ministry of Agriculture

## Sacha Inchi Nuts

*Indigenous to Cutucu Range, 6 months from planting to first fruit*

- 27% protein (*same as peanut*)
- Highest level of Omega 3's of plant-based oils (*17x that of salmon*)
- 8 essential amino acids
- Vitamins A, E
- 2-year shelf-life

*Sacha Inchi Nut Oil Composition*

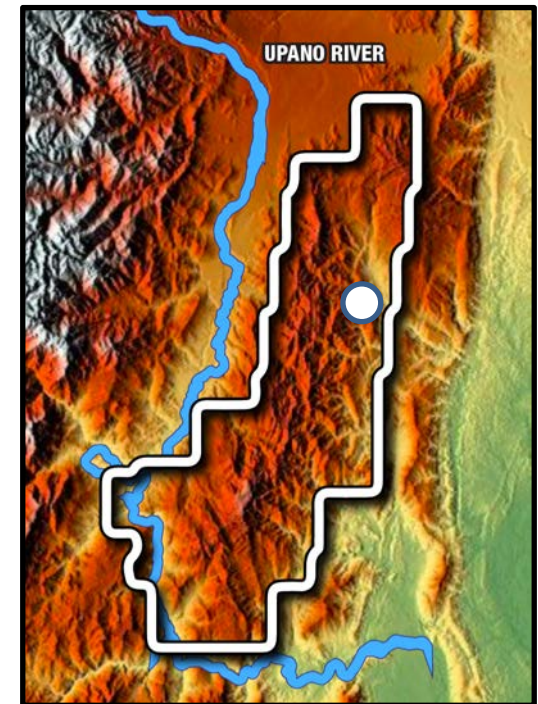


Community



Ministry of Education

**Community asked Government to re-open school in Unnt Suants  
Working with foundations to find ways of improving youth education**



ARU

Community

Ministry of Environment

- Minimizing erosion;
- Restoration of impacted areas:
  - Communities collect & germinate seeds of indigenous species;
  - Communities manage the restoration



Crunchy Hill drill platform 1 ready for restoration

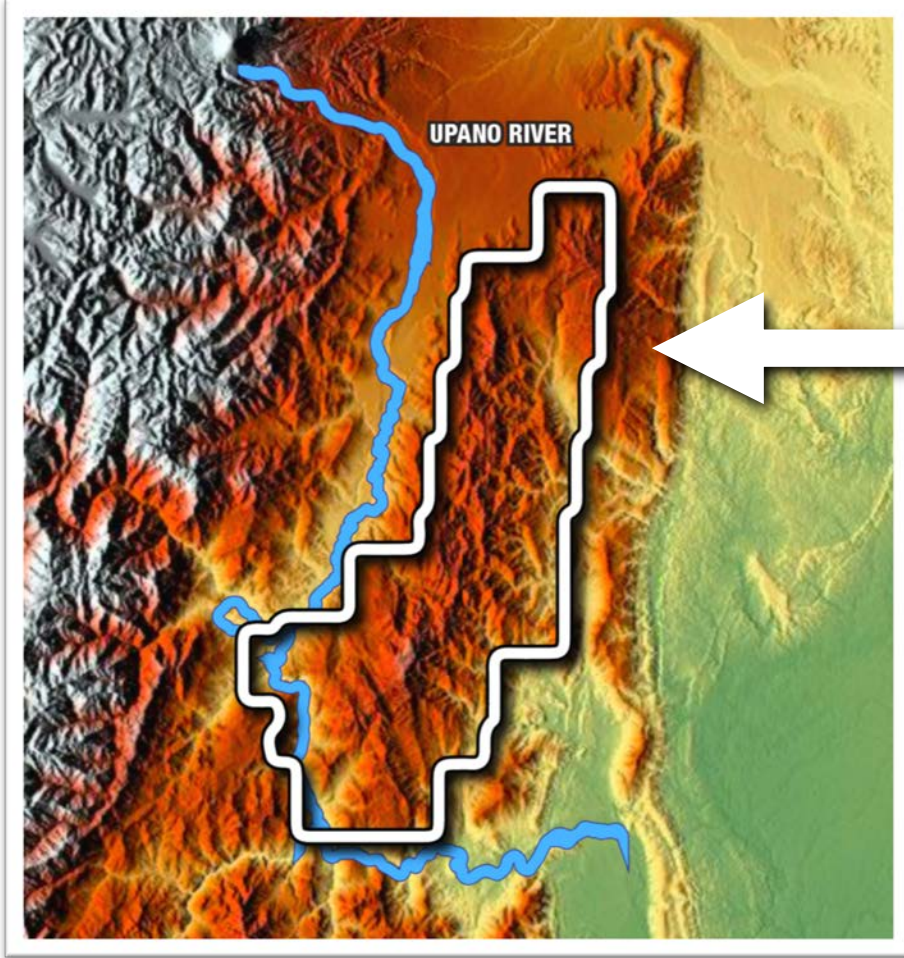
Drill access path





- People
- Jurisdiction
- Exploration update:
  - Lost Cities - gold
  - Epithermals - gold-silver
  - Copper (gold?) porphyries
  - Silver-lead-zinc mantos
  - Sedimentary-hosted copper-silver
- Plans

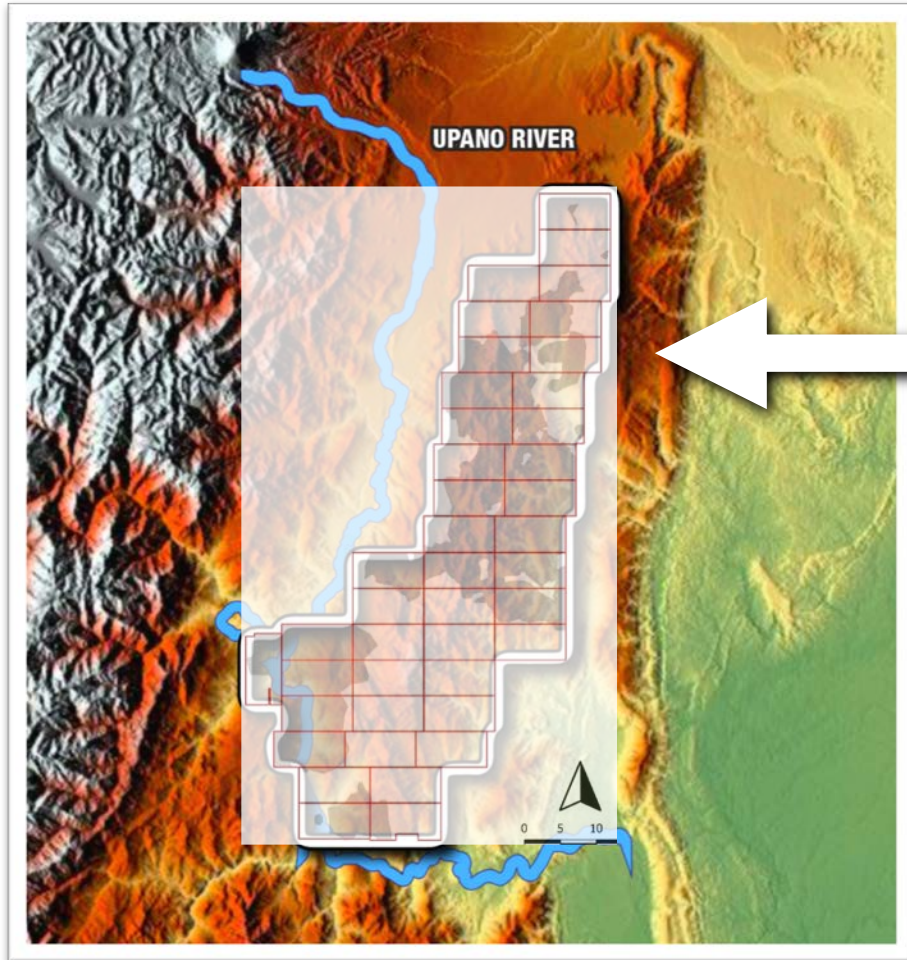
2018 MAP



1584 MAP



2018 MAP



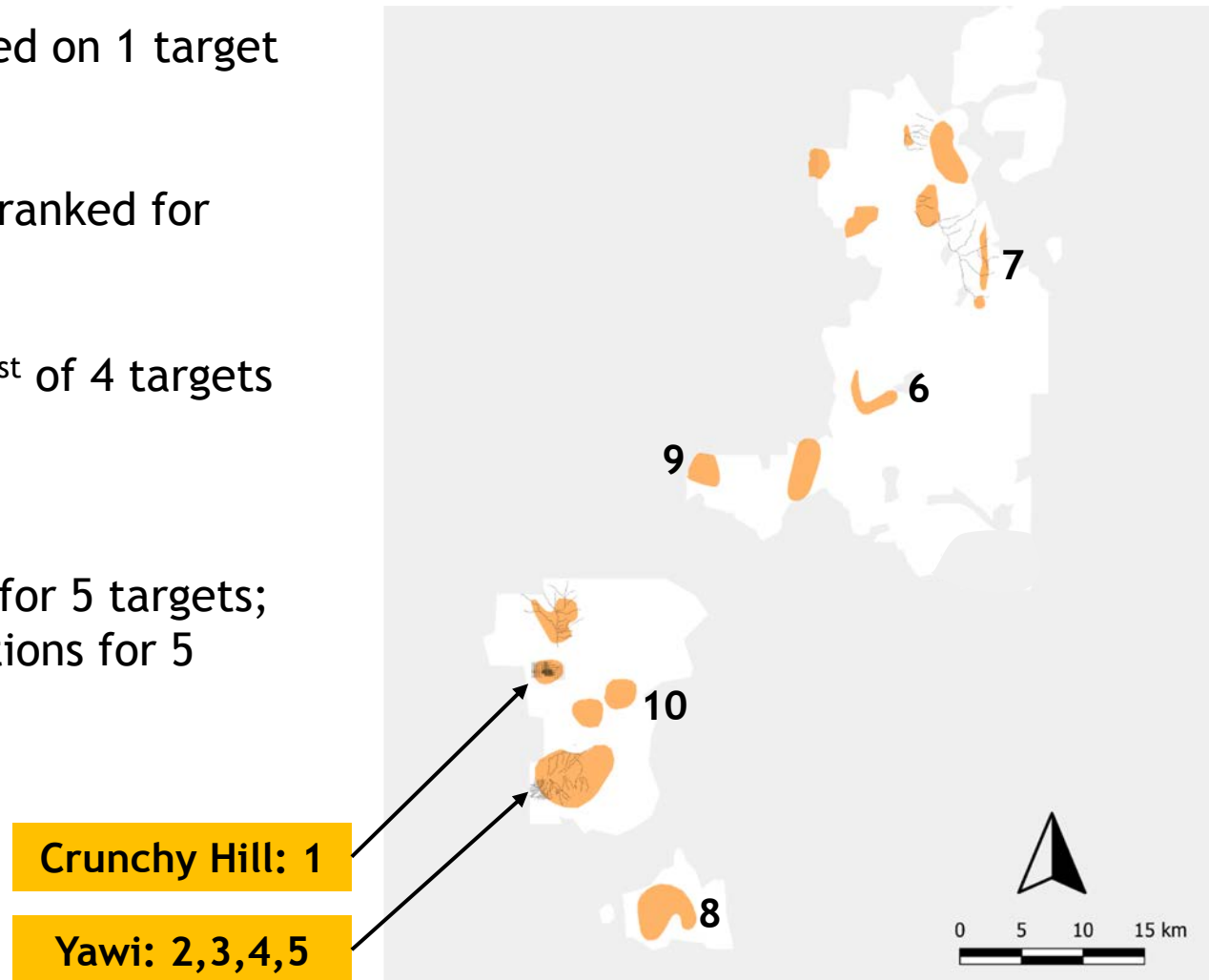
1584 MAP



## 17 Epithermal targets for Gold-Silver

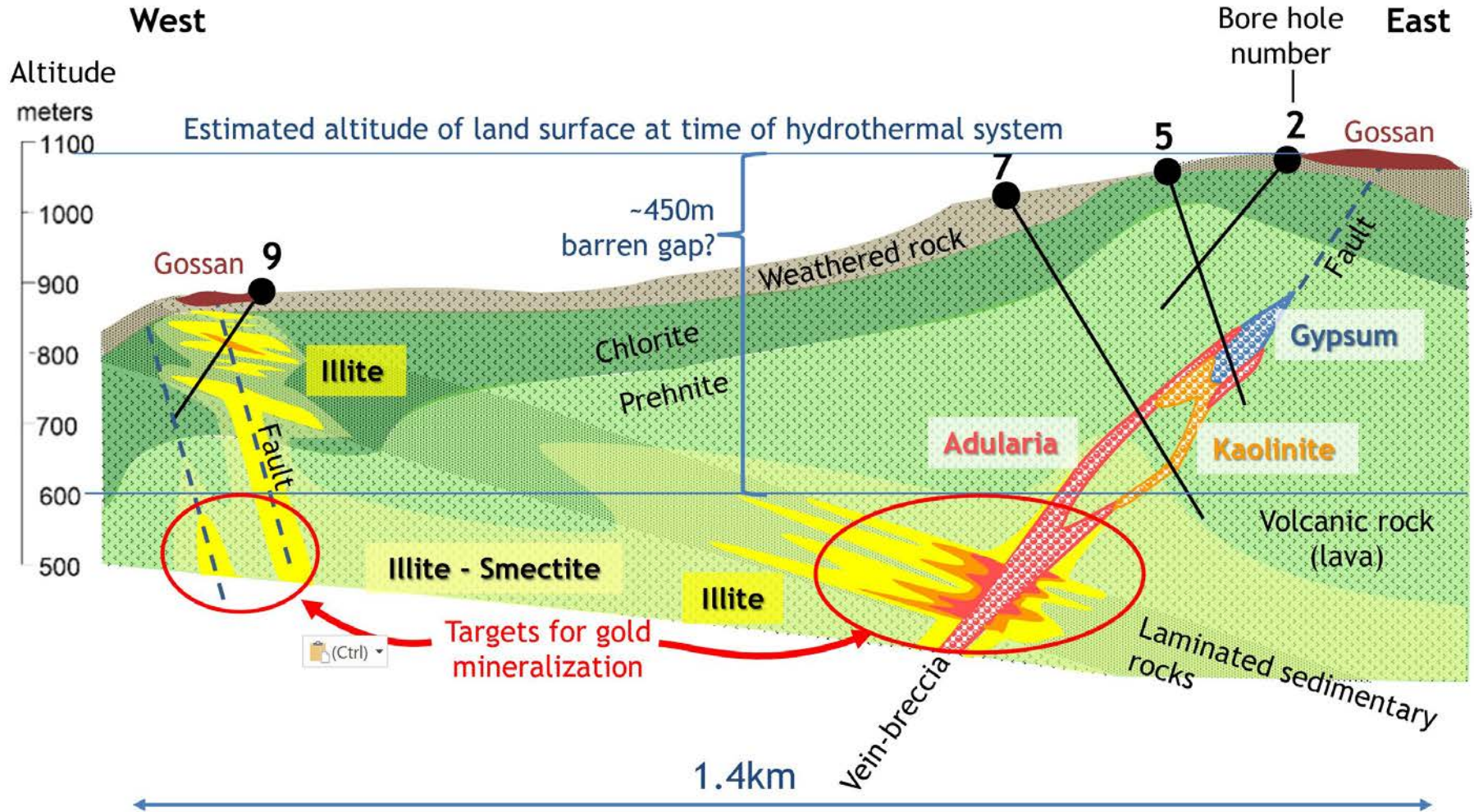
- Scout drilling completed on 1 target (Crunchy Hill)
- 10 epithermal targets ranked for scout drilling;
- Scout drilling due on 1<sup>st</sup> of 4 targets at Yawi;
- Water-use permits:
  - application made for 5 targets;
  - Preparing applications for 5 additional targets

## Epithermal Target Ranking

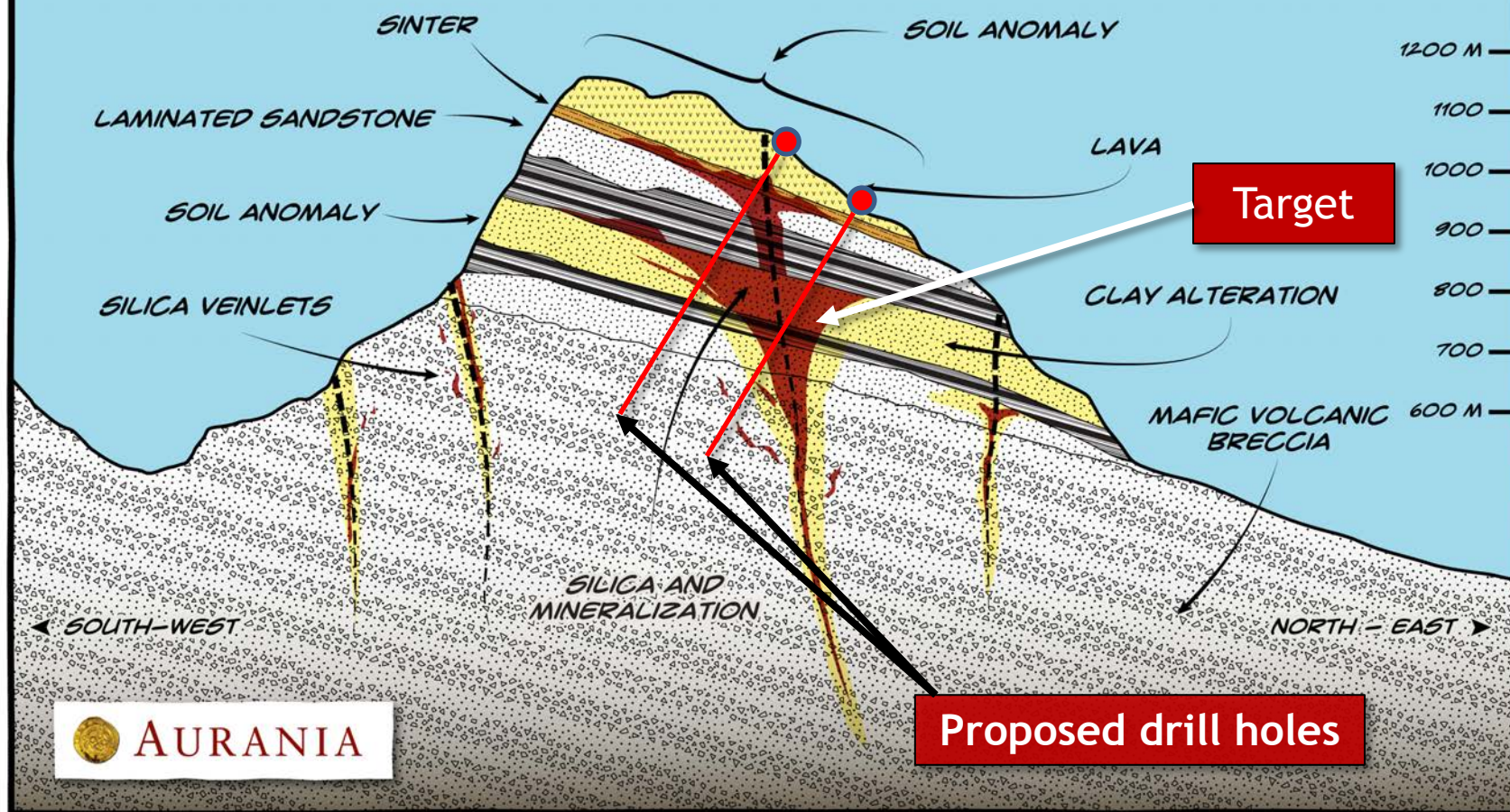


# Epithermals: Crunchy Hill System

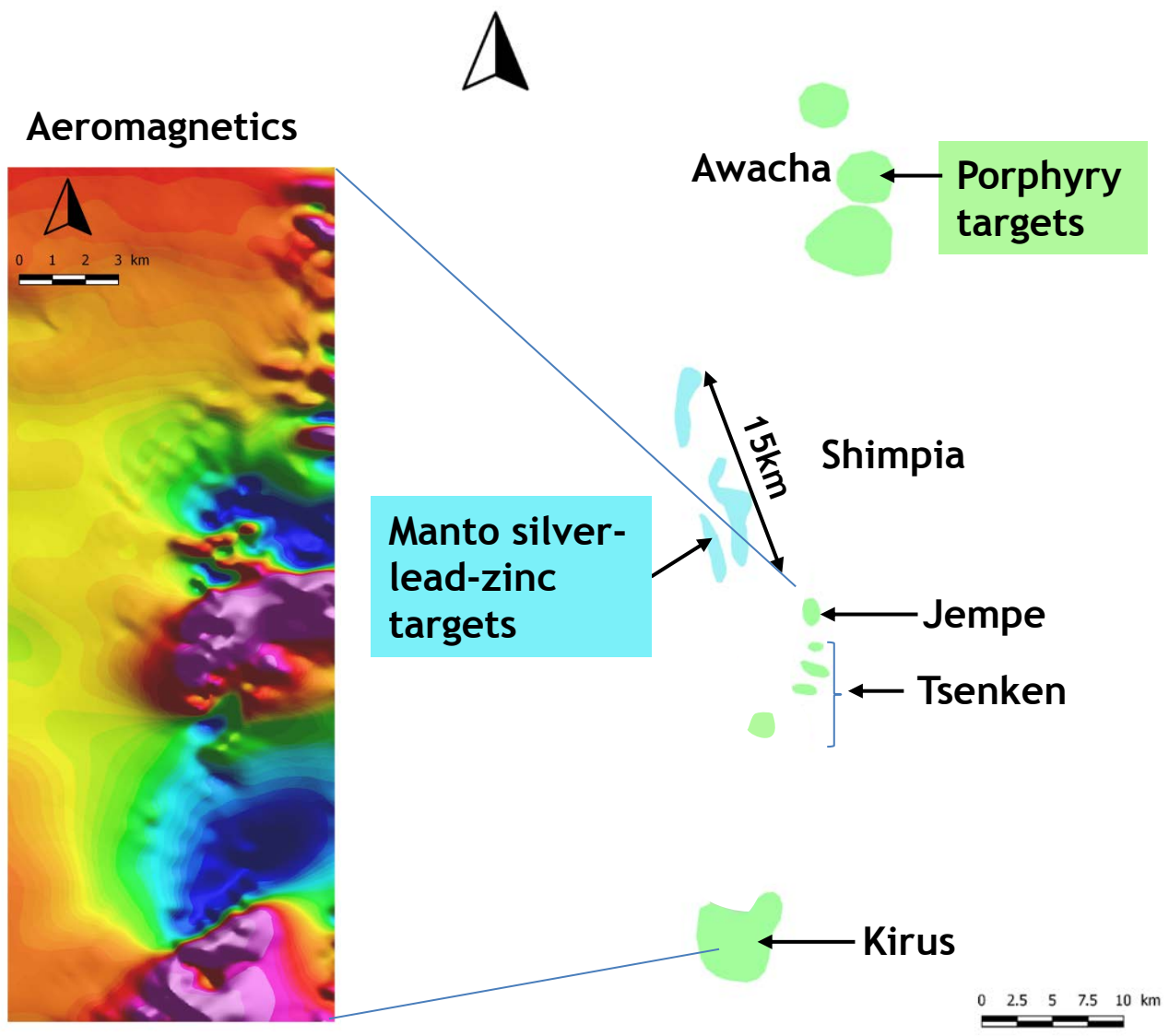
- Scout drilling: 9 holes drilled for 3,204m
- Epithermal system confirmed



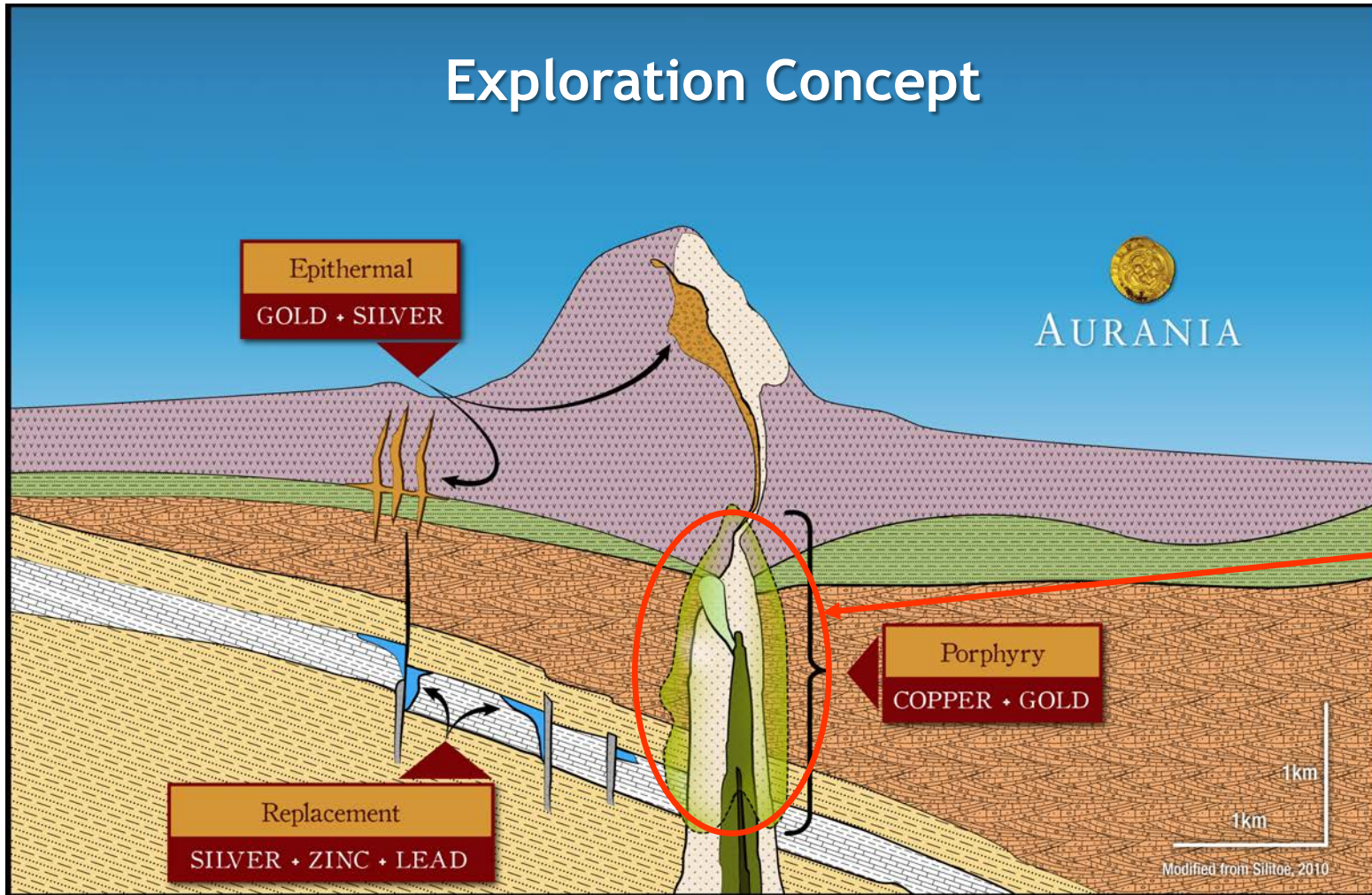
## Scout Drilling Exploration Concept: Yawi



# Copper (plus Silver-Lead-Zinc) Targets



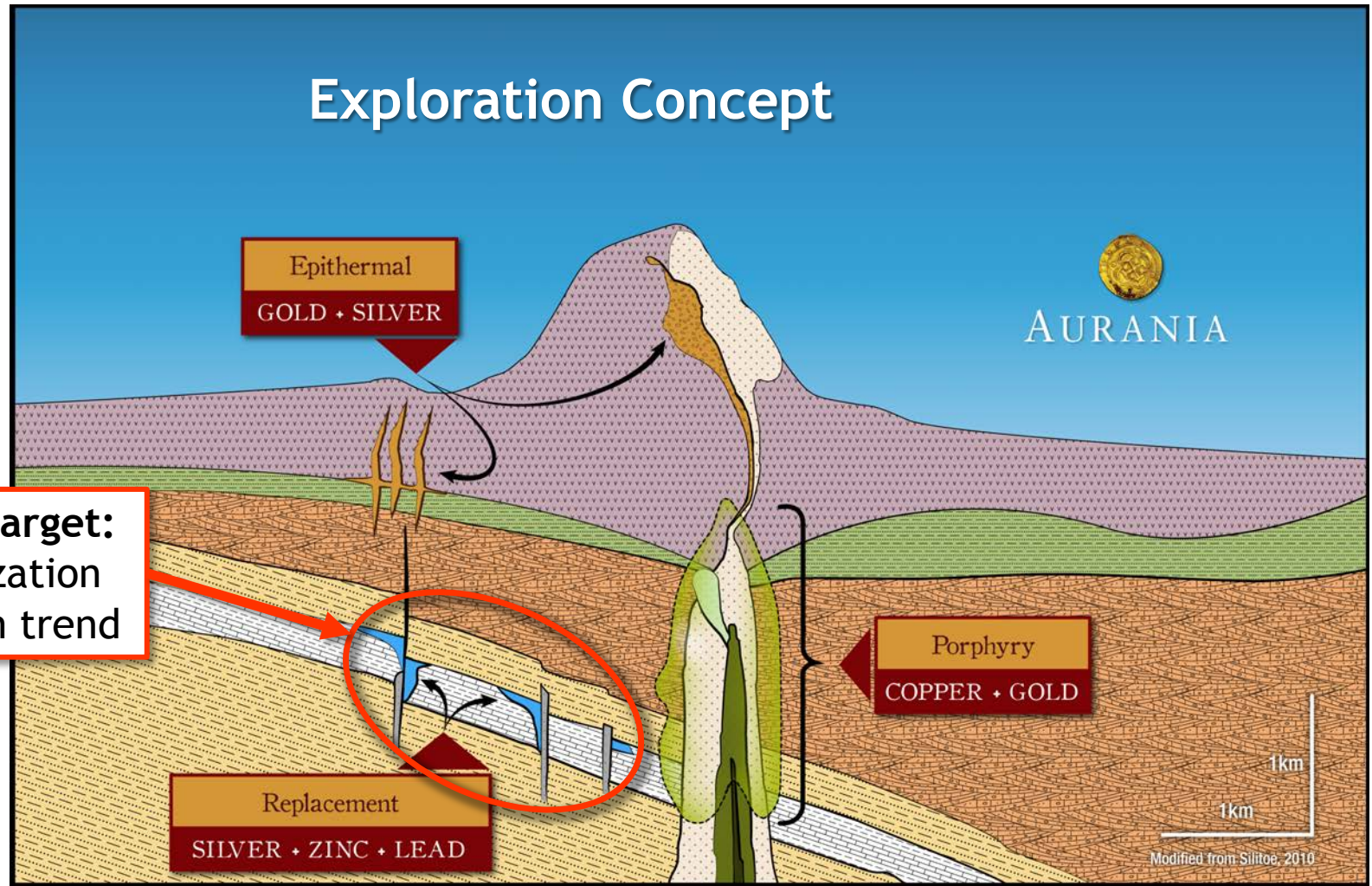
## Exploration Concept



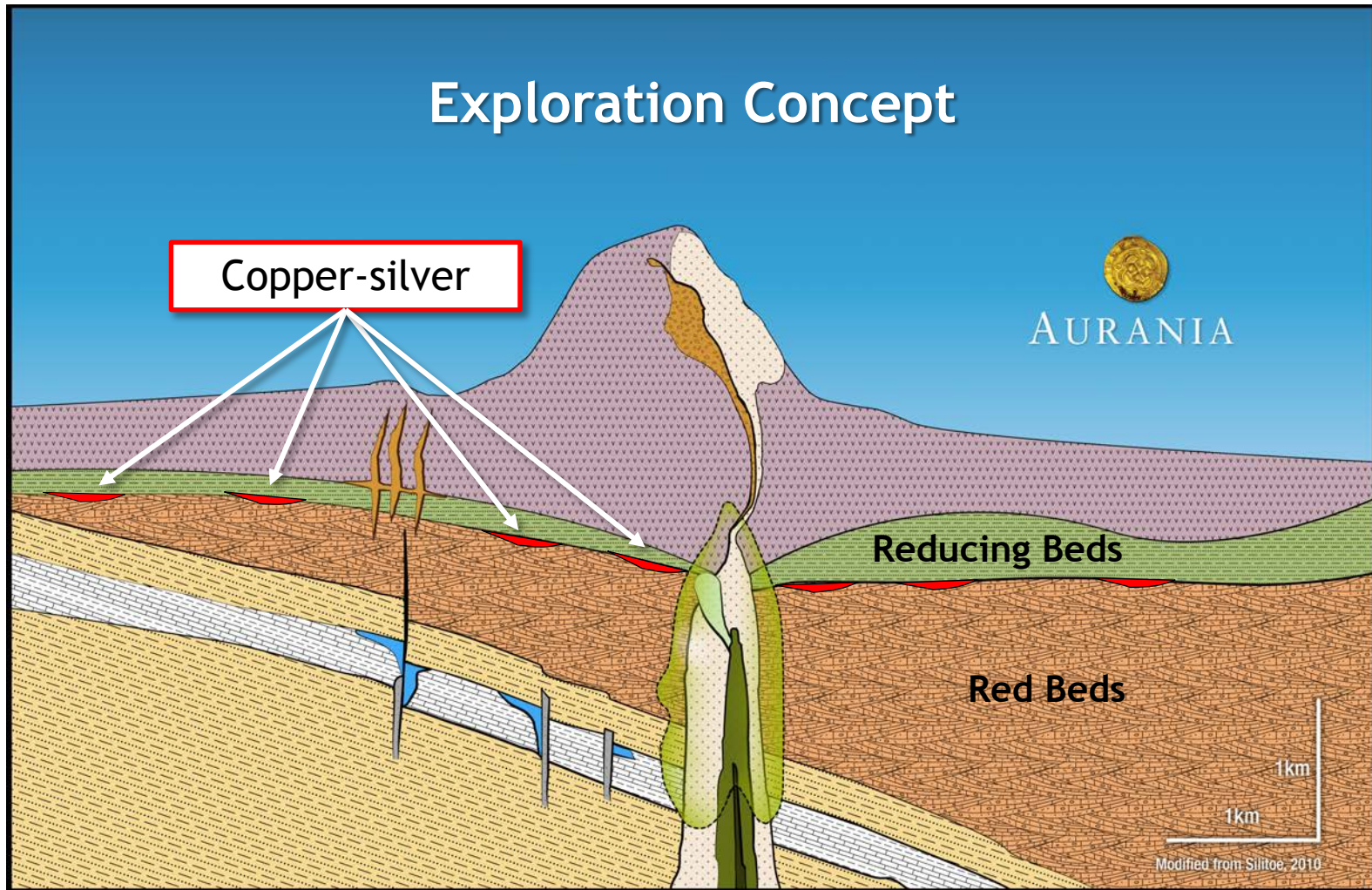
- 4 targets identified:
- Awacha
  - Jempe
  - Tsenken
  - Kirus



## Exploration Concept



## Exploration Concept



# Copper Targets

## Reconnaissance sampling *Sedimentary copper over 22km*

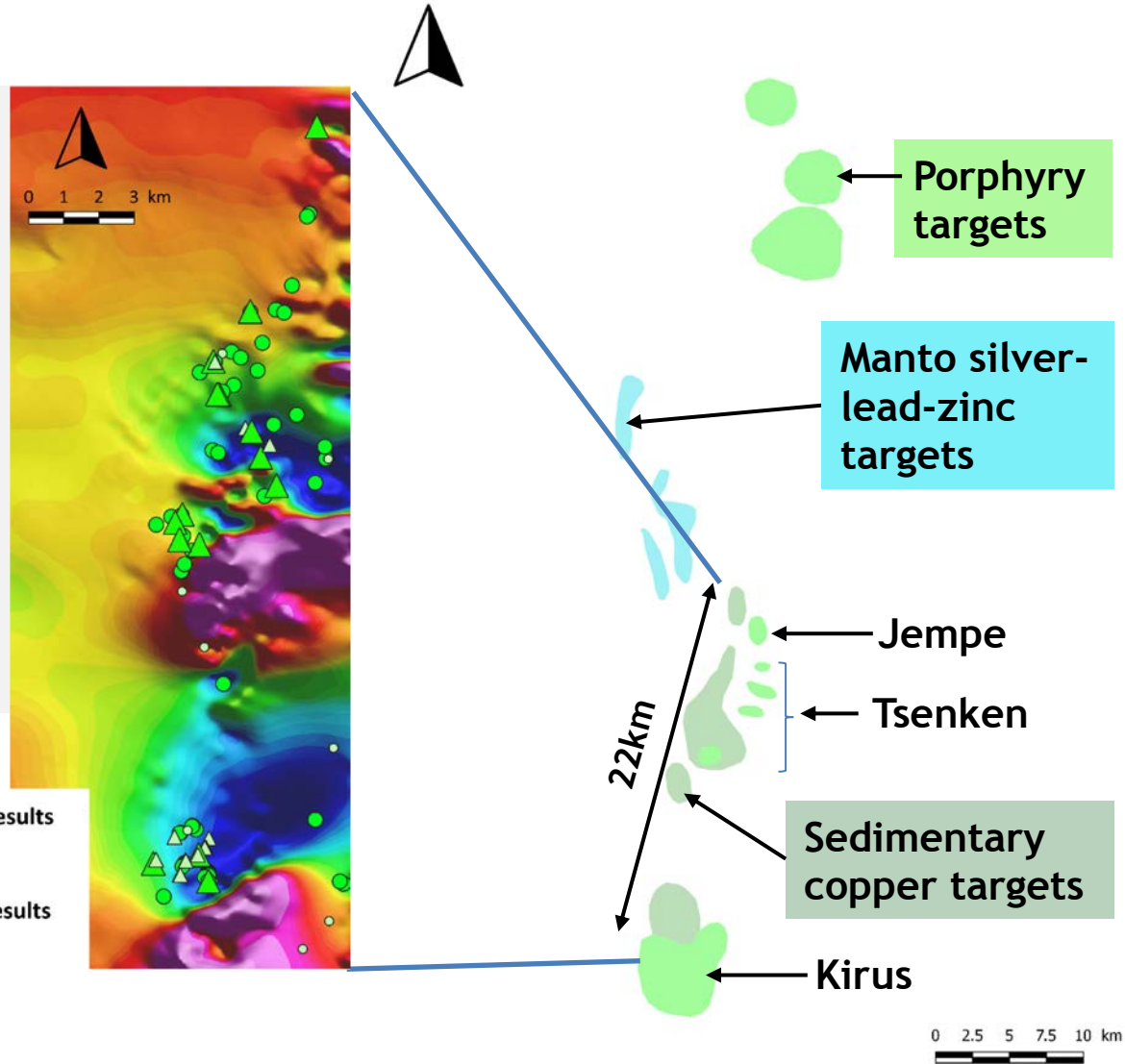
- **Outcrop**
  - 18 samples >1% copper
  - Average grade:
    - 4.4% copper
    - 51g/t silver
- **Boulders in streams**
  - 53 samples
  - 3.9% copper
  - 48g/t silver

### Outcrop copper results

- △ 0.1 - 1.0 %
- ▲ 1.0 - 38.7 %

### Boulder copper results

- 0.1 - 1.0 %
- 1.0 - 11.9 %



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- Complete regional exploration:
  - Prioritize land that can be dropped - reduce concession size & annual payment;
  - Prioritize targets:
    - Scout drilling on epithermal gold-silver targets (after geophysics);
    - Deploy 2<sup>nd</sup> scout drill rig on sedimentary copper-silver;
- Historic targets (Logrono & Sevilla) - apply new & alternative technology;
- Advance copper porphyry targets toward JV;
- Advance manto silver-zinc-lead to toward JV

- Ecuador - an exploration hot spot
- Management & Board aligned with shareholders (own 57% of shares)
- Experienced team: gold & copper discoveries along trend in southern Ecuador
- Multi target, multi-commodity potential
- Committed to best practice on environment, social & governance

*The*  
**LOST CITIES**  
CUTUCU PROJECT



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# Sediment-hosted Copper

VERTICAL SECTION SHOWING KEY CONCEPTS  
IN THE FORMATION OF "SEDIMENT-HOSTED" COPPER DEPOSITS

