AURANIA

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three and Nine Months Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

INDEX PAGE

AURANIA RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)
(Expressed in Canadian dollars)

AS AT	September 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	**$2,017,266**	$5,229,341
Prepaid expenses and receivables	**209,887**	481,655
Advances for mineral property interest (note 4)	**586,633**	463,268
Total current assets	**2,813,786**	6,174,264
Non-current assets		
Property, plant, and equipment (note 5)	**155,329**	148,999
TOTAL ASSETS	**$2,969,115**	$6,323,263
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	**$1,178,265**	$985,454
Promissory notes (note 6)	**-**	569,828
Total current liabilities	**1,178,265**	1,555,282
Long-term liability		
Promissory notes (note 6)	**4,370,771**	3,370,530
TOTAL LIABILITIES	**$5,549,036**	$4,925,812
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 7)	**$414**	$383
Share premium (note 7)	**46,236,215**	38,219,081
Share to be issued (note 7)	**-**	165,841
Warrants (note 9)	**979,842**	442,215
Contributed surplus and shareholder contribution (notes 6 and 8)	**5,242,523**	4,666,849
Accumulated deficit	**(55,038,915)**	(42,096,918)
Total shareholders' equity (deficiency)	**(2,579,921)**	1,397,451
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	**$2,969,115**	$6,323,263

Nature of operations and business continuance (note 1)
Commitments and contingencies (notes 4 and 15)
Subsequent events (note 16)

APPROVED BY THE BOARD:

Signed, "Jonathan Kagan", Director

Signed, "Keith M. Barron", Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (Unaudited)

(Expressed in Canadian dollars)

	ISSUED CAPITAL				RESERVES			
	Common Shares #	Share Capital	Share Premium	Shares to be issued	Warrants	Contributed Surplus	Accumulated Deficit	Total Equity Surplus (Deficiency)
Balance – December 31, 2019	**38,333,346**	**$383**	**$38,219,081**	**$165,841**	**$442,215**	**$4,666,849**	**$(42,096,918)**	**$1,397,451**
Shares issued for private placements (note 7(i))	2,087,139	24	6,470,107	-	-	-	-	6,470,131
Less share issue cost (note 7(i))	-	-	(132,377)	-	-	-	-	(132,377)
Shares issued for warrants exercised in 2019 (note 7(iv))	50,944	-	165,841	(165,841)	-	-	-	-
Shares issued for exercise of warrants (notes 7(iii) and 9)	64,750	-	230,022	-	(30,772)	-	-	199,250
Shares issued for exercise of stock options (note 7(ii)and 8(iii))	717,000	7	1,868,541	-	-	(838,921)	-	1,029,627
Warrants issued for private placements (note 9)	-	-	(585,000)	-	585,000	-	-	-
Expiry of warrants (note 9)	-	-	-	-	(16,601)	-	16,601	-
Expiry of stock options (note 8 (iv))	-	-	-	-	-	(108,297)	108,297	-
Stock-based compensation - Restricted stock units "RSUs" compensation (note 8)	-	-	-	-	-	157,466	-	157,466
Stock based compensation – Option compensation (note 8 (ii))	-	-	-	-	-	1,323,879	-	1,323,879
Shareholder Contribution (note 6)	-	-	-	-	-	41,547	-	41,547
Net loss for the period	-	-	-	-	-	-	(13,066,895)	(13,066,895)
Balance – September 30, 2020	**41,253,179**	**$414**	**$46,236,215**	**$-**	**$979,842**	**$5,242,523**	**$(55,038,915)**	**$(2,579,921)**
Balance - December 31, 2018	**32,036,874**	**$319**	**$19,983,179**	**$-**	**$1,123,509**	**$1,987,432**	**$(25,668,365)**	**$(2,573,926)**
Shares issued for right offering	1,946,172	20	5,254,646	-	-	-	-	5,254,666
Less share issue cost	-	-	(232,608)	-	-	-	-	(232,608)
Shares issued for Private Placement	1,651,875	17	4,460,046	-	-	-	-	4,460,063
Less share issue cost	-	-	(109,021)	-	-	-	-	(109,021)
Shares issued for debt settlement	877,192	1	2,987,093	-	-	-	-	2,987,094
Shares issued for exercise options and "RSU"	50,000	-	149,213	-	-	(77,213)	-	72,000
Shares issued for exercise of warrants	55,000	-	189,425	-	(24,425)	-	-	165,000
Warrants issued for Private Placement	-	-	(381,980)	-	381,980	-	-	-
Agents Warrants issued for Private Placement	-	-	(15,625)	-	15,625	-	-	-
Stock-based compensation - Restricted stock units "RSUs" compensation	-	-	-	-	-	12,197	-	12,197
Stock based compensation – Option compensation	-	-	-	-	-	601,633	-	601,633
Shareholder Contribution	-	-	-	-	-	902,103	-	902,103
Net loss for the period	-	-	-	-	-	-	(10,531,269)	(10,531,269)
Balance – September 30, 2019	**36,617,113**	**$357**	**$32,284,368**	**$-**	**$1,496,689**	**$3,426,152**	**$(36,199,634)**	**$1,007,932**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Operating Expenses:				
Exploration expenditures (notes 4, 11)	**2,079,646**	1,359,246	**8,653,040**	7,418,132
Stock-based compensation (notes 8, 10)	**426,503**	233,602	**1,481,345**	599,997
Investor relations	**138,441**	198,234	**466,695**	715,035
Office and general	**252,103**	216,399	**687,363**	545,992
Business development	**-**	-	**388,279**	-
Management fees (note 10)	**134,504**	166,442	**406,906**	472,469
Professional and administration fees	**99,721**	57,648	**326,922**	157,778
Regulatory and transfer agent fees	**24,825**	31,462	**140,506**	138,527
Director and advisor fees (note 10)	**18,750**	17,500	**56,250**	56,093
Amortization (note 5)	**11,862**	9,262	**34,727**	26,157
Project evaluation expenses including travel	**-**	30,143	**9,839**	54,842
Total expenses	**3,186,355**	2,319,938	**12,651,872**	10,185,022
Other Expenses (Income)				
(Gain) loss on foreign exchange	**(32,331)**	(13,210)	**30,021**	(22,684)
Loss on derivative (note 6)	**-**	-	**-**	121,571
Interest income	**(1,527)**	(3,218)	**(11,720)**	(6,741)
Interest expense (note 6)	**2,969**	(12,188)	**8,771**	46,491
Accretion of shareholder contribution (note 6)	**139,599**	207,610	**387,951**	207,610
Net loss and comprehensive loss for the period	**3,295,065**	2,498,932	**13,066,895**	10,531,269
Basic and diluted loss per share	**$0.08**	$0.07	**$0.32**	$0.32
Weighted average common shares outstanding – basic and diluted	**40,020,491**	32,164,495	**40,134,048**	32,632,621

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AURANIA RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian dollars)

Nine months ended SEPTEMBER 30,	2020	2019
Cash flows from the following activities:		
Operating activities:		
Net loss for the period	**$(13,066,895)**	$(10,531,269)
Adjustment for:		
Amortization (note 5)	**34,727**	26,157
Stock-based compensation	**1,481,345**	613,830
Accrued interest and accretion (note 6)	**396,722**	254,075
Loss on derivative	**-**	121,571
Foreign exchange loss (gain) (note 6)	**75,238**	(123,533)
Non-cash items:		
Prepaid expenses and receivables	**271,767**	(19,156)
Advances for mineral property interests	**(123,365)**	-
Accounts payable and accrued liabilities	**192,812**	187,614
Net cash used in operating activities	**(10,737,649)**	(9,470,711)
Financing activities:		
Share issue for rights offering	**6,470,131**	5,254,666
Less share issue costs	**(132,377)**	(232,608)
Shares issued for private placement	**-**	4,460,063
Less share issue costs	**-**	(109,021)
Shares issued for option exercises (notes 7, 8)	**1,029,627**	72,000
Shares issued for warrant exercises (notes 7, 9)	**199,250**	165,000
Promissory note (note 6)	**-**	4,005,900
Net cash provided by financing activities	**7,566,631**	13,616,000
Investing activity:		
Advances for mineral property interests	**-**	(2,411,671)
Purchase of property, plant and equipment (note 5)	**(41,057)**	(25,261)
Increase in restricted cash	**-**	(1,600)
Net cash used in investing activities	**(41,057)**	(2,438,532)
(Decrease) increase in cash	**(3,212,075)**	1,706,757
Cash – beginning of period	**5,229,341**	817,021
Cash – end of period	**2,017,266**	2,523,778

Supplemental Information	2020	2019
Shares issued for settlement of debt	**-**	$2,987,094

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE

Aurania Resources Ltd. (the "Company") was incorporated under the laws of Bermuda on June 26, 2007 pursuant to the provisions of The Companies Act 1981 (Bermuda). On February 18, 2011, the Company registered extra-provincially in the Province of Ontario, Canada. The registered head office of the Company is located at 31 Victoria Street, Hamilton, HM10, Bermuda. The corporate office is located at Ste. 1050 – 36 Toronto St., Toronto, ON M5C 2C5.

On May 26, 2017, the Company acquired EcuaSolidus, S.A. ("ESA"), a private Ecuador-based company, owned by the principal shareholder of the Company, in order to acquire all the rights, title and interest in certain mineral exploration licenses in Ecuador (the "Lost Cities – Cutucu Project" or the "Project"). **See note 4 – Mineral Property Interests.**

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration program will result in profitable mining operations. The recoverability of the amounts expended on mineral property interests and the carrying value of property, plant and equipment and the Company's continued existence is dependent upon the preservation of its interest in recoverable reserves, the achievement of profitable operations and, the ability of the Company to raise necessary financing to complete its planned exploration program.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration activities and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements. **See note 4 – Mineral Property Interests** regarding the current status of the Company's permits and licenses. The Company's property interests are located in Ecuador and Peru and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company's ability to continue operations and fund its future exploration property expenditures is highly dependent on Management's ability to secure additional financing. Management acknowledges that while it has been successful in raising sufficient capital in the past, there can be no assurance it will be able to do so in the future. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Novel Coronavirus ("COVID-19")
The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE, Continued

As at September 30, 2020, the Company had cash on hand of $2,017,266 (December 31, 2019 - $5,229,341) to fund current liabilities of accounts payable, accrued liabilities and promissory notes totaling $1,178,265 (December 31, 2019 - $1,555,282), and long-term promissory notes of $4,158,232 (December 31, 2019 - $3,370,530). Further, the Company had an accumulated deficit of $55,064,639 (December 31, 2019 - $42,096,918) and working capital surplus of $1,635,521 (December 31, 2019 – surplus $4,618,982).

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34 - Interim Financial Reporting using the accounting policies consistent with IFRS as issued by the IASB.

The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS policies issued and outstanding as of the date the Board of Directors approved these interim financial statements being November 24, 2020. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as those applied in *note 4* of the Company's most recent annual consolidated financial statements for the year ended December 31, 2019 and have been consistently applied throughout all periods presented, as if these policies had always been in effect. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in the restatement of these condensed consolidated interim financial statements.

Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities, which are measured at fair value. All amounts have been expressed in Canadian dollars, the Company's functional currency, unless otherwise stated and "USD" represents United States dollars, "CHF" represents Swiss francs and "SOL" represents Peruvian SOL. All amounts have been rounded to the nearest dollar, unless otherwise stated.

Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries: AuroVallis Sarl ("AVS"), incorporated under the laws of Switzerland, ESA, incorporated under the laws of Ecuador and Sociedad Minera Vicus Exploraciones S.A.C, incorporated under the laws of Peru. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

Significant accounting judgments and estimates, Continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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:

<u>Estimation of decommissioning and restoration costs and the timing of expenditure</u>

Management is not aware of any material restoration, rehabilitation and environmental provisions as at September 30, 2020 and December 31, 2019. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated at least annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

<u>Share-based payments and warrants</u>

Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments for share-based payments include estimating the future volatility of the share price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Assumptions and judgments for determining the value of warrants include estimating the future volatility of the share price, expected dividend yield, expected risk future -free rate of return etc. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

<u>Income, value added, withholding and other taxes</u>

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

2. SIGNIFICANT ACCOUNTING POLICIES, Continued

Significant accounting judgments and estimates, Continued

Business combinations vs. asset acquisitions

Determination of whether a set of assets acquired, and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. In making this determination, the Company considers items including, but not limited to: whether there are inputs and processes attributable to the set of assets and liabilities, the extent of the infrastructure in place, the work required to bring the acquired assets to production and whether the project has resources or reserves.

Such judgments are inherently uncertain and could have a significant effect on the method of accounting for the acquisition and the disclosures required.

Fair value of conversion feature of convertible debenture

The Company measures the convertible debenture embedded derivative using a binominal-lattice-based valuation model, taking into consideration Management's best estimate of the expected volatility, expected life of the derivative, foreign exchange rate and exercise price on the date of issue and at each reporting date. Assumptions are made and judgment used in applying valuation techniques. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

Contingencies
See note 4 mineral properties interests and note 15 commitments and contingencies.

Changes in accounting policies

During the nine months ended September 30, 2020, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included the amendments to IAS 1, IAS 8 and IFRS 3. These amendments did not have any material impact on the Company's consolidated financial statements.

3. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Company considers the capital that it manages to include share capital, share premium, warrants, contributed surplus and shareholder contribution and accumulated deficit, which at September 30, 2020 was a total equity deficiency $2,579,921 (December 31, 2019 equity surplus - $1,397,451). The Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition and exploration of mineral properties. Management does this in light of 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 nine months ended September 30, 2020. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange ("TSXV"), which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of twelve months. As at September 30, 2020, the Company may not be compliance with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, Continued

Capital management, Continued

Exercise of options and warrants

During the period ended September 30, 2020, a total of $1,228,877 was added to the treasury from the exercise of 717,000 stock options and 64,750 warrants. **See note 8-Stock-based compensation and note 9-Warrants.**

Capital raises, short-term loan

On March 13, 2020, the Company completed the closing of a non-brokered private placement of units of the Company at a price of $3.10 per unit, for a total gross proceeds of $6,470,131. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $4.25 for a period of 18 months following the closing of the Offering. **See note 7- Share capital.**

Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency, 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"). The Board also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during period ended September 30, 2020.

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, Ecuadorian, and Peruvian 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.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

At September 30, 2020, the Company has a cash and cash equivalents balance of $2,017,266 (December 31, 2019 - $5,229,341) to settle current liabilities of $1,178,265 (December 31, 2019 - $1,555,282). All the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for its promissory notes. In addition to the commitments disclosed in Note 15, the Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2020:

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, Continued

In Canadian $ equivalents	Carry amount	Contractual cash flows	October 1 ,2020 to September 30, 2021	Thereafter
Accounts payables and accrued liabilities	1,178,265	1,178,265	1,178,265	-
Promissory note 2017 (note 6)	590,746	590,746	-	590,746
Promissory note 2019 (note 6)	3,780,025	4,154,161	-	4,154,161
	5,549,036	5,923,172	1,178,265	4,721,165

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 United States dollars and Swiss francs 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, 2020 and December 31, 2019, the Company's exposure to foreign currency risk with respect to amounts denominated in USD, CHF and SOL, was substantially as follows:

In Canadian $ equivalents	September 30, 2020	December 31, 2019
Cash	**$281,247**	$578,568
Advances for mineral properties	**586,633**	463,268
Accounts payable, accrued liabilities, promissory notes	**(5,390,807)**	(4,707,579)
Net exposure	**$(4,522,927)**	$(3,665,743)

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, silver, copper and other 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, 2020, and December 31, 2019, the Company was not a metals commodity producer.

Sensitivity analysis

As of September 30, 2020 and December 31, 2019, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. The carrying amount of the long-term promissory note approximates its fair value due to the short amount of time that has passed since its issuance. Based on Management's knowledge and experience of the financial markets.

3. CAPITAL AND FINANCIAL RISK MANAGEMENT, Continued

Sensitivity analysis, Continued

The Company believes that a 10% strengthening of the Canadian dollar against the USD and CHF and SOL would have increased the net asset position of the Company as at September 30, 2020 by $459,020 (at December 31, 2019 – $366,574). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

4. MINERAL PROPERTY INTERESTS

ECUADOR

a) Mineral concessions and obligations

The Company acquired the rights, title and 100% interest in the Lost Cities Project, comprised of certain mineral concessions covering 207,764Ha in southeastern 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 are regulated according to the following phases:

- up to four years of "Initial Exploration";
- up to four years of "Advanced Exploration";
- up to two years of "Economic Evaluation" of any deposit identified, which can be extended for an additional two-year period; and
- thereafter, the concessions are in the "Exploitation Phase".

Key requirements for maintaining the concessions in good standing have been met as follows:

- Year 3 (up to December 2019, and to be reported by March 31, 2020):
  - Concession fees of USD 2,046,475 (USD9.85/Ha) which were paid by March 31, 2019; and
  - Expenditure on the concessions was required to exceed the larger of the USD10.00/Ha (USD 2,077,640) required by law or the USD 2,098,000 committed by the Company. The Company reported expenditure of USD 5,116,155 on the concessions in the year ended December 31, 2019, reported in its annual technical reports filed by March 31, 2020.
- Year 4 (up to December 2020): the maintenance of the concessions are in good standing as follows:
  - Concession fees of USD2,077,640 (USD10/Ha), were paid by March 31, 2020; and
  - Annual Technical Reports are scheduled to be presented to the Ecuadorian authorities by March 31, 2021. Minimum expenditure is required to exceed the higher of USD10.00/Ha (USD2,077,640) required by law or USD2,081,800 as committed by the Company.
- The Environmental Registration and Environmental Management Plan required from the Ministry of the Environment for exploration of the concessions were received on June 30, 2017, and both are valid for the 4-year term of Initial Exploration.
- The Company is also required to meet certain other non-financial obligations in order to keep the concessions in good standing. Management believes the Company has complied with such obligations to date.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS, Continued

ECUADOR, Continued

a) Mineral Concessions and Obligations, Continued

Year	Concession Fees (USD)	Expenditure Required (USD)	Committed Expenditure (USD)	Actual Expenditure (USD)
1 (2017)	1,973,198[1]	1,038,820[2]	1,060,000[2]	3,354,497
2 (2018)	2,004,923[1]	2,077,640[2]	1,090,000[2]	4,396,820
3 (2019)	2,046,475[1]	2,077,640[2]	2,098,000[2]	5,116,155
4 (2020)	2,077,640[1]	2,077,640[2]	2,081,800	Will be reported in March 2021

[1] Paid [2] Requirement satisfied

The size of the concession area constituting the Lost Cities Project may be reduced at the Company's discretion.

b) Future mineral concession maintenance requirements

In 2021 and beyond, the Company would be regulated by the requirements for conducting advanced exploration the cost of which cannot be estimated by Management, at the reporting date. Concession fees double to USD20/Ha in the Advanced Exploration phase.

c) Relinquishment or cancellation of concessions

The size of the concession area constituting the Project may be reduced at the Company's discretion, based on exploration results. Conversely, mineral concessions can be cancelled by the State, for various reasons including, misrepresentation by the concession-holder of the stage of the concessions' exploration and development, by causing an excessive environmental impact, irreparable damage to Ecuadorian cultural heritage, or by the violation of human rights. **See note 11 – Exploration expense.**

d) Exploration entitlements

The properties are subject to 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 Dr. Keith Barron, vendor and current Chairman, CEO and principal shareholder of the Company.

PERU

Mineral concessions in Peru

In late 2019 the Company applied to the Peruvian Mining and Metallurgical Geological Institute "INGEMMET" for certain mineral concessions which continue to be in progress. While the Company believes its application will be approved, there is no guarantee that all concessions will be received by the Company. Of the total advanced, $1,948,402 was expensed in 2019 related to the applications in progress and those rejected. The advances for mineral property interest of $586,633 (December 31, 2019 - $463,268) represent cash advances made to INGEMMET that can be applied to future applications.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS, Continued

SWITZERLAND

The Company no longer intends to pursue its 100% interest in three exploration permits (the "Permits") in Switzerland, in the Canton of Valais held through its wholly owned subsidiary AVS. Its interest has been cancelled and AVS is in process of being dissolved.

5. PROPERTY, PLANT & EQUIPMENT

	Leasehold Improvements	Field Equipment	Furniture and Fixtures	Computer Equipment	Total
COST					
At December 31, 2019	27,545	78,248	8,399	101,912	216,104
Additions	-	21,439	-	19,618	41,057
At September 30, 2020	**27,545**	**99,687**	**8,399**	**121,530**	**257,161**
ACCUMULATED DEPRECIATION					
At December 31, 2019	(5,069)	(25,440)	(975)	(35,621)	(67,105)
Additions (1)	(1,556)	(11,721)	(569)	(20,881)	(34,727)
At September 30, 2020	**(6,625)**	**(37,161)**	**(1,544)**	**(56,502)**	**(101,832)**
NET BOOK VALUE					
At December 31, 2019	22,476	52,808	7,424	66,291	148,999
At September 30, 2020	**$20,920**	**$62,526**	**$6,855**	**$65,028**	**$155,329**

(1) Depreciation is calculated using straight-line method over periods ranging from 3 to 6 years.

6. PROMISSORY NOTES AND CONVERTIBLE DEBENTURE

Promissory note 2017 - Mineral Concessions Loan ("MCL1")

For the nine months ended September 30, 2020 and the year ended December 31, 2019	2020	2019
Balance, beginning of period	**$569,828**	**$579,915**
Accrued interest	8,771	11,672
Foreign exchange translation loss (gain)	12,147	(21,759)
Balance, end of period	**$590,746**	**$569,828**

On March 20, 2017 ("Date of MCL1"), Dr. Barron (the "Lender") advanced USD 2,000,000 to ESA to facilitate the payment of the 2017 minerals concession fees, pursuant to an unsecured, promissory note loan at 2% annual interest. On May 29, 2017, the Company repaid USD 1,000,000 of the MCL1.

On April 2, 2018, the Lender settled $280,000 of MCL1 in consideration of exercising 700,000 stock options, at $0.40 per option. Accordingly, the Company issued 700,000 common shares to the Lender in exchange for reducing the principal owing on MCL1 by USD 217,168 ($280,000). On August 16, 2018 the Company repaid $500,000 of MCL1 in cash. The Lender of the Promissory note - Mineral Concessions Loan ("MCL1") maturing May 29, 2020 agreed to extend the maturity date to May 29, 2021 with all other terms and conditions remaining the same. On August 20, 2020, the Lender agreed to amend the terms of MCL1 such that it will become repayable on the day following the one year anniversary of the Lender requesting repayment. During the period ended September 30, 2020, the accrued interest and foreign exchange translation loss on the MCL1 are $8,771 and $12,147 (year ended December 31, 2019 - $11,672 and

(Expressed in Canadian Dollars)

6. PROMISSORY NOTES AND CONVERTIBLE DEBENTURE, Continued

Promissory note 2017 - Mineral Concessions Loan ("MCL1"), Continued

translation gain of $21,759). The Company has assessed the accounting for the amendment of the terms of the promissory note and concluded that the amendment is a modification. As such, the carrying amount of the liability at its modification date will be amortized over the new term of the promissory note.

Convertible debenture - Mineral Concessions Loan ("MCL2")

On January 28, 2019, the Company announced the issuance of 877,192 common shares from treasury in connection with the repayment of a 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.

Under the guidance of IAS 32 and IFRS 9, and because the face value of the note was denominated in other than the Company's functional currency, the conversion feature requires classification and measurement as a derivative financial instrument. Accordingly, it was concluded that this derivative financial instrument requires bifurcation and liability classification, at fair value. Current standards contemplate that the classification of financial instruments require evaluation at each reporting date.

The following table reflects the allocation of the proceeds and subsequent reporting since the financing date:

For the nine months ended September 30, 2020 and the year ended December 31, 2019	2020	2019
Balance, beginning of period	**$-**	**$2,476,672**
Interest expense (accretion and coupon)	-	9,338
Amortization of debt discount	-	28,422
Foreign exchange gain immediately prior to conversion	-	(97,323)
Interest payable on convertible debenture	-	13,023
Settled by shares issued upon conversion of debt	-	(2,430,132)
Balance, end of period	**$ -**	**$-**

Discounts (premiums) on the convertible notes arise from (i) the allocation of basis to other instruments issued in the transaction, (ii) fees paid directly to the creditor and (iii) initial recognition at fair value, which is lower than face value.

Derivative liability

The carrying value of the embedded derivative liability on the Debenture is on the consolidated statement of financial position, with changes in the carrying value being recorded as derivative (gain) loss on the consolidated statement of loss. The fair value of the embedded derivative liability as of September 30, 2020 is $nil and the derivative loss for the year ended to December 31, 2019 is $121,571.

(Expressed in Canadian Dollars)

6. PROMISSORY NOTES AND CONVERTIBLE DEBENTURE, Continued

Derivative liability, Continued

For the nine months ended September 30, 2020 and the year ended December 31, 2019	2020	2019
Balance, beginning of period	**$-**	**$ 435,390**
Loss on derivative	-	121,571
Settled by shares issued upon conversion of debt	-	(556,961)
Balance, end of period	**$ -**	**$-**

Promissory note 2019

On April 22, 2019, Dr. Barron, advanced USD 3,000,000 by way of a promissory note to the Company. The loan is unsecured, with a term of two years, bearing an interest rate of 2% per annum which is considered to be below a market rate of interest for such a loan. IFRS requires that where an interest rate is below the market rate, estimated at 15%, there is deemed to be a benefit to the shareholders and as such that portion of the promissory loan considered to represent that benefit is recorded in equity as a shareholder contribution. The amount of the benefit is then recognized over the life of the promissory note as an accretion expense. On August 20, 2020, Dr. Barron agreed to amend the terms of his promissory note issued in 2019 such that it will become repayable on the day following the one year anniversary of Dr. Keith Barron requesting repayment. The Company has assessed the accounting for the amendment of the terms of the promissory note and concluded that the amendment is a modification. As such, the carrying amount of the liability at its modification date will be amortized over the new term of the promissory note. The accretion on the promissory note will be accounted for as a shareholder contribution until such time that the repayment is requested by the Lender.

For the nine months ended September 30, 2020 and the year ended December 31, 2019	2020	2019
Balance, beginning of period/issuance of promissory note	**$3,370,530**	**$4,005,900**
Interest rate benefit recognized as shareholder contribution	(41,547)	(902,103)
Accretion expense	387,951	332,202
Foreign exchange translation loss (gain)	63,091	(65,469)
Balance, end of period	**$3,780,025**	**$3,370,530**

7. SHARE CAPITAL

Authorized share capital at September 30, 2020 and December 31, 2019 is 1,000,000,000 common shares with a par value of $0.00001 per share. All shares issued are fully paid. The number of issued and outstanding common shares at September 30, 2020 is 41,253,179 (December 31, 2019 – 38,333,346). During the nine months ended September 30, 2020, the Company completed the following:

(i) **Non-brokered Private Placement**
On March 13, 2020, the Company completed the closing of non-brokered private placement of 2,087,139 units of the Company at a price of $3.10 per unit, for total gross proceeds of $6,470,131. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $4.25 for a period of 18 months following the closing of the offering. The cash paid for regulatory and

7. SHARE CAPITAL, Continued

(i) **Non-brokered Private Placement**
legal cost, was $132,377. A value of $585,000 has been assigned to warrants in three tranches using the Black-Sholes option pricing model using the following assumptions: expected dividend yield 0%, expected volatility of 68%, a risk free rate ranging between 0.53% and 1.19% and an expected life of 1.5 years. Volatility is based on the historical trading of the Company's shares.

(ii) Issued 717,000 common shares as a result of the exercise of 717,000 stock options previously granted to directors, officers, and consultants, for proceeds of $1,029,627.

(iii) Issued 64,750 common shares as a result of holders exercising 64,750 warrants, for proceeds of $199,250.

(iv) Issued 50,944 common shares as a result of exercising 50,944 warrants in December 2019 but the shares were only issued after December 2019.

8. STOCK-BASED COMPENSATION

Stock Options

The Company maintains a stock option plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance with respect to the Plan cannot exceed 10% of the issued and outstanding common shares of the Company at the date of grant. Stock options generally vest 1/3 annually.

(i) On February 7, 2020, the Company granted 300,000 stock options to four senior employees of the Company. Each option is exercisable to acquire one common share at a price of $3.16. The options expire on February 7, 2025, and vest as follows: 100,000 vest 1/3 on the grant date and on the anniversary of that date 2021 and 2022. A total value of $708,000 has been assigned to the options using the Black-Scholes option pricing model using the following assumptions: expected forfeiture rate of 0%, expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.51% and an expected life of 5 years. Volatility was based on the historical trading of the Company's shares. To September 30, 2020, a total of $469,205 has been expensed for the vested options.

(ii) For the nine month period ended September 30, 2020, an aggregate of $1,323,879 of stock-based compensation was recorded for the fair value of vested stock options resulting from the grant of stock options in the current period and prior years.

(iii) During the nine month ended September 30, 2020, a total 717,000 stock options were exercised in consideration of cash.

(Expressed in Canadian Dollars)

8. STOCK-BASED COMPENSATION, Continued

(iv) The following summarizes the stock options activity during the nine months ended September 30, 2020:

	Number of Options	Weighted Average Exercise Price	Estimated Fair Value
Balance - December 31, 2019	**2,906,260**	**$2.41**	**$3,573,576**
Issued	300,000	3.16	469,205
Exercised	(717,000)	(1.17)	(838,921)
Expired	(68,260)	(2.50)	(108,297)
Stock-based compensation expense	-	-	854,674
Balance – September 30, 2020	**2,421,000**	**$2.80**	**$3,950,237**

(v) The following summarizes the stock options outstanding at September 30, 2020:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
150,000	150,000	$2.30	May 26, 2022	256,242
200,000	200,000	$2.00	November 2, 2022	205,625
250,000	250,000	$2.89	March 2, 2023	541,934
136,000	136,000	$2.68	April 5, 2023	273,227
180,000	130,000	$3.40	January 16, 2024	436,995
48,000	32,000	$3.40	January 16, 2024	115,357
77,000	51,333	$3.97	June 28, 2024	151,328
1,080,000	360,000	$2.70	October 24, 2024	1,500,324
300,000	100,000	$3.16	February 7, 2025	469,205
2,421,000	**1,409,333**			**$3,950,237**

The weighted average contractual life remaining for stock options as at September 30, 2020 is 3.45 years (2019 – 3.4 years).

Restricted Stock Units ("RSUs")

RSUs are granted to encourage employee performance and retention. The RSUs are awarded based on performance criteria and vest over three years in equal instalments. For each RSU that vests a common share in the company is issued. The following summarizes the RSU activity during the nine months ended September 30, 2020:

	Number of RSUs	Weighted Average Fair Value	Estimated Fair Value
Balance – December 31, 2019	**189,700**	**$2.32**	**$143,171**
Stock-based compensation expense	-	-	157,466
Balance – September 30, 2020	**189,700**	**$2.32**	**$300,637**

The weighted average contractual life remaining for RSUs at September 30, 2020 is 3.72 years (December 31, 2019 – 4.47 years). The RSUs were not included in the computation of diluted net loss per share for the periods presented as they are anti-dilutive.

(Expressed in Canadian Dollars)

9. WARRANTS

The following summarizes the warrant activity and outstanding warrants and Agents' warrants for the nine months ended September 30, 2020:

	Number of Warrants/ Agents' Options	Weighted Average Exercise Price	Estimated Fair Value
Balance – December 31, 2019	**936,501**	**$3.90**	**$442,215**
Issued warrants private placement	1,043,567	4.25	585,000
Exercised	(64,750)	(3.08)	(30,772)
Expired	(34,900)	(3.00)	(16,601)
Balance – September 30, 2020	**1,880,418**	**$4.14**	**$979,842**

Outstanding warrants

Expiry date	Number of Warrants	Exercise Price
February 27, 2021	510,431	$4.00
August 27, 2021	4,734	$4.00
March 20, 2021	310,506	$4.00
September 20, 2021	11,180	$4.00
August 28, 2021	236,994	$4.25
September 5, 2021	671,622	$4.25
September 13, 2021	134,951	$4.25
Balance – September 30, 2020	**1,880,418**	

Exercise of warrants
At September 30, 2020, 64,750 warrants with a weighted exercise price of $3.08 were exercised for proceeds of $199,250.

10. KEY MANAGEMENT COMPENSATION 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 management and directors of the Company was:

(Expressed in Canadian Dollars)

10. KEY MANAGEMENT COMPENSATION EXPENSE, Continued

For the nine months ended September 30,	2020	2019
Salary - corporate (1)	**$249,186**	$472,469
Salary – technical (1)	**302,798**	254,113
Director and advisor fees (2)	**56,250**	56,250
Stock-based compensation for key management (3)	**671,908**	117,396
Total key management compensation expense	**$1,280,142**	$900,228

(1) Salary - corporate includes 100% CFO fees, 30% of the President's compensation. Salary - technical includes the remaining 70% of the President's compensation and 100% of the compensation paid to the Vice President, Exploration.
(2) Director's fees are $15,000 per annum, per director or $3,750 per quarter.
(3) This figure is the estimated fair value expense of vested stock options and RSUs granted to key management during the nine months ended September 30, 2020 and 2019.

11. EXPLORATION EXPENSE

	Three months ended September 30,		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
ECUADOR				
GEOLOGY/FIELD:				
- Salaries, benefits	**$659,844**	$398,876	**$1,783,279**	$1,405,801
- Camp costs, equipment, supplies	**192,437**	41,053	**474,971**	243,018
- Project management (note 10)	**55,143**	84,704	**168,136**	254,113
- Travel, accommodation	**441,026**	120,764	**626,011**	405,737
- Office (Quito, Macas)	**42,207**	25,550	**71,333**	88,953
- Environment, health & safety	**143,877**	42,172	**329,423**	148,130
- Water	**59,256**	15,016	**108,953**	40,324
- Drilling	**115,651**	8,586	**419,263**	593,301
- VAT (1)	**110,291**	68,023	**280,089**	250,503
GEOCHEMISTRY	**17,903**	102,195	**189,554**	302,438
GEOPHYSICS	**12,687**	251,275	**286,530**	292,410
EXPERT CONSULTANTS	**9,897**	-	**46,536**	-
OTHER TECHNICAL STUDIES	**37,763**	-	**131,317**	-
CORPORATE SOCIAL RESPONSIBILITY – fees, travel, supplies	**214,183**	196,351	**646,448**	588,012
LEGAL AND OTHER FOR CONCESSIONS	**10,219**	4,267	**54,211**	29,334
CONCESSION MAINTENANCE - permits	**-**	-	**2,785,907**	2,721,812
Total exploration expense – Ecuador & Canada	**$2,122,384**	$1,358,832	**$8,401,961**	$7,363,886
PERU				
OTHER				
- Costs related to concession fee applications	**-**	414	**171,031**	54,246
- Concession fees recoveries	**(116,031)**	-	**(116,031)**	-
- Technical Consulting	**23,485**	-	**57,838**	-
- Legal	**49,808**	-	**138,241**	-
Total exploration expense – Peru	**(42,738)**	414	**251,079**	54,246
TOTAL EXPLORATION EXPENSE	**$2,079,646**	$1,359,246	**$8,653,040**	$7,418,132

(1) VAT is a 12% value added tax added to most purchases, the nature of the Company's exploration business means that it does not have the revenues against which to recover these amounts with certainty and are therefore expensed.

12. RELATED PARTY TRANSACTIONS

Related parties include management and 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, 2020 and 2019:

(i) During the nine months ended September 30, 2020, a total of $21,581 (2019 - $112,500), plus applicable taxes were charged to the Company by the Chief Financial Officer ("CFO"), pursuant to a consulting contract. Included in accounts payable and accrued liabilities at September 30, 2020 is $nil (December 31, 2019 - $15,288) owed to the CFO. These amounts are unsecured, non-interest bearing and due on demand.

(ii) During the nine months ended September 30, 2020, the Company incurred $108,000 (2019 - $108,000) of administrative service costs including office, rent and general office services, to Big Silver Ltd. a company owned and controlled by the Chairman, CEO and principal shareholder. At September 30, 2020, $12,000 (December 31, 2019 - $nil) remains payable to Big Silver Ltd., for unpaid services. These amounts are unsecured, non-interest bearing and due on demand. - **See note 15 Commitments and Contingencies.**

(iii) For other related party transactions, see notes 6 and 10.

13. SEGMENTED INFORMATION

At September 30, 2020, the Company's operations comprised one business segment engaged in mineral exploration and three operating segments – Ecuador, Switzerland and Peru. Cash of $1,918,173 (December 31, 2019 - $5,015,849) is held in a Canadian chartered bank, $50,680 (December 31, 2019 - $211,365) being held in a chartered bank in Ecuador, $2,078 (December 31, 2019 - $2,127) being held in a chartered bank in Switzerland and the balance of $46,335 (December 31, 2019 - $nil) being held in a chartered bank in Peru.

14. RECLASSIFICATION OF PRIOR QUARTER'S DATA FOR PRESENTATION

Certain of the 2019 comparative amounts have been reclassified to conform to the 2020 form of presentation.

15. COMMITMENTS AND CONTINGENCIES

Environmental contingencies

The Company's exploration activities are subject to various 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 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 Big Silver Ltd. a company owned and controlled by the Chairman, Chief Executive Officer and principal shareholder, for office rent and general office services. The terms include a monthly fee of $12,000 and can be terminated by either party with 180 days' notice.

15. COMMITMENTS AND CONTINGENCIES, Continued

Service costs and consulting agreements, Continued

Until replaced with an employment contract on February 1, 2020 the Company's Chief Financial Officer provided financial corporate consulting services to the Company pursuant to an annual, renewable consulting agreement, the terms include a monthly fee of $12,000.

On June 28, 2019, Aurania signed a contract with a consultant to provide data analytics and statistical analysis services to Aurania to help refine its search for the historical gold mining centres of Logrono de los Caballeros and Sevilla del Oro in Ecuador. Contract terms require payment ofUSD150,000 in installments over two years against performance benchmarks, and the granting of 77,000 stock options exercisable for five years. USD 25,000 remains payable.

On July 16, 2019, Aurania signed a contract with a consultant to perform a specialized LiDAR survey. Pursuant to the contract the Company will pay $800,332 (USD 591,000) in installments against a performance and product delivery schedule. The Company has paid $160,153 (USD 118,264) to date.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $490,000 and additional contingent payments of up to approximately $980,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed consolidated interim financial statements.

On October 18, 2020, Aurania signed a contract with a consultant who will provide an airborne geophysical survey in Morona Santiago Province, Ecuador. The contact is expected to be completed before the end of the year at a cost of $268,998 (USD198,640).

On August 20, 2020, Aurania's Ecuadorian subsidiary signed a services agreement with Kluane Drilling Ltd. For the drilling of a minimum of 2,000 metres on various exploration targets starting with Tsenken.

16. SUBSEQUENT EVENTS

Financing 2020
On October 29, 2020, the Company closed its previously announced overnight marketed public offering of units of the Company (the "Units"), including exercise in full of the over-allotment option (the "Offering"). A total of 2,679,500 Units were sold at a price of $4.30 per Unit (the "Offering Price") for gross proceeds of approximately $11.5 million. Each Unit is comprised of one (1) common share in the capital of the Company (each, a "Common Share") and one-half Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one Common Share at $5.50 at any time on or before the date which is 24 months after the Closing Date.

Options and RSUs granted
Subsequent to September 30, 2020 the Company granted 1,020,000 stock options to directors, officers, employees, and consultants and 343,800 RSUs to employees. The stock options have an exercise price of $3.51, are exercisable for five years and vest in three equal annual instalments. The RSUs are convertible into common shares of the company for five years, vesting in three equal annual instalments commencing one year from the date of grant.