



# AURANIA

RESOURCES LTD.

## AURANIA ANNOUNCES CLOSING OF CONVERTIBLE DEBENTURE FINANCING AND EXISTING LOAN EXTENSION

Toronto, Ontario, May 29, 2018 – Aurania Resources Ltd. (TSXV: ARU) (“Aurania” or the “Company” - <https://www.youtube.com/watch?v=loQK2afID3Q&t=2s>) announces that it has closed a US\$2.0 million convertible debenture financing (the “**Debenture**”) with Dr. Keith Barron, the Company’s Chairman, CEO and largest shareholder (the “**Offering**”). The funds from the Debenture enable the Company to maintain the full 2,080 square kilometre (“km<sup>2</sup>”) concession package that constitutes the Lost Cities – Cutucu Project in Ecuador. The decision to maintain the entire concession package is based on the positive exploration results received from the project to date.

The terms of the Debenture include:

- The maturity date is May 29, 2019 (the “**Maturity Date**”), whereupon the unpaid principal and accrued interest shall be payable to Dr. Keith Barron;
- Is convertible into common shares at a price of C\$3.00 per common share. The total number of common shares of the Company issuable upon conversion of the principal amount of the US\$2.0 million loan is 877,192; and
- The Debenture is unsecured with interest payable at 2% per annum, non-cumulative before the Maturity Date. The interest accrued on the Debenture will not be convertible into common shares of the Company.

The Debenture and the common shares issuable on the conversion of the Debenture will be subject to a four-month and one day statutory hold period, in addition to such other restrictions as may apply under applicable securities laws in jurisdictions outside of Canada.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or applicable state securities laws, and may not be offered or sold to persons in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including final approval of the TSX Venture Exchange and applicable securities regulatory authorities.

Dr. Keith Barron, the Chairman and CEO of the Company is an “insider” of the Company and, as such, the acquisition of the Debentures by Mr. Barron is considered a “related party transaction” pursuant to Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions (“MI 61-101”). MI 61-101 requires the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the “related party transaction”. The Company intends to rely on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b) of MI 61-101

on the basis that no securities of Aurania are listed on a specified market set out in such section. The Company is also relying on the exemption from minority shareholder approval requirements set out in MI 61-101 as the fair market value of the debentures purchase by Dr. Barron does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

#### Loan Assumption and Extension with Dr. Barron

On May 29, 2018, the Company assumed a US\$782,832 (the “**Principal Amount**”) mineral concession loan (“**MCL**”), from its wholly owned subsidiary Ecuadorian subsidiary, Ecuasolidus S.A. The Principal amount and any accrued interest of the MCL is to be repaid to Dr. Barron.

Concurrent with the assumption of the MCL, the Company has negotiated an extension of the MCL with Dr. Barron, to defer the maturity date from May 29, 2018 to May 29, 2019 (the “**Maturity Date**”), whereupon the Principal amount and any accrued interest will be payable to Dr. Barron. Interest on the Principal Amount shall be calculated at the rate of 2% per annum. All other terms of the MCL remain in full force and effect.

Dr. Keith Barron, the Chairman and CEO of the Company is an “insider” of the Company and, as such, the assumption and extension of the Company’s loan with Mr. Barron is considered a "related party transaction" pursuant to Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on the exemption from minority shareholder approval requirements set out in MI 61-101 as the fair market value of the MCL held by Dr. Barron does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

#### **About Aurania**

Aurania is a junior exploration mining company engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals and copper. Its flagship asset, The Lost Cities – Cutucu Project, is located in the Jurassic Metallogenic Belt in the eastern foothills of the Andes mountain range of southeastern Ecuador.

For further information, please contact:

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#### **Forward-Looking Statements**

*This news release 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 news release includes, but is not limited to, Aurania's company's objectives, goals or future plans, statements, exploration results, potential mineralization, the corporation'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 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 indigenous peoples, 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 news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, 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.*