



AURANIA

RESOURCES LTD.

AURANIA RESOURCES ANNOUNCES \$6.35 MILLION RIGHTS OFFERING CEO, KEITH BARRON COMMITTED TO BACKSTOP UP TO \$4 MILLION

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Toronto, Ontario, January 28, 2019 – Aurania Resources Ltd. (TSXV: ARU) (“Aurania” or the “Company” - http://www.commodity-tv.net/c/search_adv/?v=298721) is pleased to announce that it will be undertaking a rights offering to raise up to \$6.35 million.

The Company is offering rights (the "**Rights**") to purchase common shares ("**Common Shares**") to eligible shareholders of record, at the close of business on the record date of February 4, 2019, on the basis of one right for each common share held (the "**Rights Offering**").

Basic Subscription

- For every fourteen (14) Rights held, eligible shareholders can subscribe for one Common Share of the Company upon payment of the subscription price of \$2.70 per Common Share (the "**Exercise Price**");
- The subscription price for each Common Share has been priced at a discount of approximately 15% to the closing share price on January 28, 2019, as per regulatory requirements;
- The Rights Offering will be conducted in Canada and will be available to Canadian resident shareholders and to shareholders outside of Canada who are eligible under certain exemptions (*see details below*);
- The Rights will trade on the TSX Venture Exchange under the symbol ARU.RT commencing on February 1, 2019. The Rights will expire at 5:00 p.m. (Toronto time) on March 6, 2019 (the "**Expiry Time**") and will become void and of no value;
- Eligible shareholders who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations set out in the Company's Rights Offering Notice ("**Notice**") and Rights Offering Circular ("**Circular**") (*see details below on Subscription for Additional Shares*);
- The shares purchased through the Rights Offering will be free-trading (and therefore not subject to the four-month hold that normally applies to shares issued through a private placement); and
- The Company intends to use the net proceeds of the Rights Offering to fund exploration expenses, including scout drilling, concessions fees to maintain the Lost Cities – Cutucu Project in Ecuador in good standing, and general and administrative expenses.

Details of the Rights Offering will be set out in the Notice and Circular which will be available under the Company's profile at www.sedar.com and on the Company's website at www.aurania.com.

Eligible Holders

The Notice, accompanying rights certificate, and form of Subscription will automatically be mailed to each registered shareholder in Canada and shareholders who are resident in Canada who own their shares through an intermediary, such as a bank, trust company, securities dealer or broker (in Canada), will receive materials and instructions from their intermediary (collectively the “**Eligible Holders**”). The Company encourages shareholders to review these documents carefully.

Eligible Holders who wish to exercise their Rights must forward the rights certificate, together with the applicable funds, to the Rights Agent, **TSX Trust Company, located at 301-100 Adelaide Street West, Toronto, ON M5H 4H1, on or before the Expiry Time.**

Ineligible Holders

Shareholders who are resident in a jurisdiction outside of Canada (the “**Ineligible Holders**”), may be able to participate in the Rights Offering under certain exemptions. The Company will not issue or forward rights certificates to Ineligible Holders, however, a letter will be sent to them which will:

- describe the conditions that must be met, and the procedures that must be followed in order for an Ineligible Holder to participate in the Rights Offering; and
- Advise them that their Rights will be held by TSX Trust Company who will, prior to the Expiry Time, attempt to sell any unexercised rights of Ineligible Holders on such dates and at such prices as it determines in its sole discretion.

Ineligible Holders who wish to participate in the Rights Offering and are unsure of whether they meet the required exemptions are encouraged to contact the Rights Agent or the Company directly.

Subscription for Additional Shares

There are currently 32,915,316 Common Shares of the Company outstanding. If all of the Rights issued under the Rights Offering are validly exercised, a total of 2,351,094 Common Shares will be issued under the Rights Offering with gross proceeds of approximately \$6,350,000.

Eligible Holders who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available, as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations set out in the Company’s Circular.

Stand-By Commitment

In connection with the Rights Offering, the Company has entered into a stand-by purchase agreement with Dr. Keith Barron, the Chairman and Chief Executive Officer of the Company, in an amount of \$4,000,000 (the “**Stand-By Commitment**”).

Related Party Transaction

In connection with the Stand-By Commitment, Dr. Keith Barron, Chairman and Chief Executive Officer of the Company, will acquire up to 1,481,482 Common Shares. The acquisition of securities pursuant to the Rights Offering by Dr. 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 an exemption from the formal valuation requirements of MI 61-101 available on the basis of the securities of the Company not being listed on specified markets, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ or certain overseas stock exchanges. The Company is also relying on the exemption from minority shareholder approval requirements under MI 61-101 as the fair market value of the participation in the Rights

Offering and Stand-By Commitment by Dr. Barron does not exceed 25% of the market capitalization of the Company.

Conversion of Convertible Debenture

The Company also announces the issuance of 877,192 Common Shares from treasury in connection with the repayment of a US\$2.0 million convertible debenture issued by the Company to Dr. Barron on May 29, 2018 (the “**Debenture**”). As dictated by the terms of the Debenture, the unpaid principal amount of US\$2.0 million, was converted into Common Shares at the conversion price of C\$3.00 per Common Share (the “**Conversion**”), fixed at the March 20, 2018 Bank of Canada exchange rate of \$US 0.76 to C\$1.00 such that the maximum number of Common Shares to be issued upon the exercise of the conversion right shall be 877,192 Common Shares.

Early Warning Report

After giving effect to the Conversion, Dr. Barron will own 17,125,065 Common Shares, representing 52.0% of the Common Shares on a non-diluted basis and 52.6% on a partially diluted basis. The Common Shares issued to Dr. Barron under the Conversion represent an acquisition of less than 2% of the issued and outstanding shares of the class, however Dr. Barron’s ownership percentage of the issued and outstanding Common Shares since the last Early Warning Report filed on May 2, 2017 has decreased by 11.8% on a non-diluted basis and 13.0% on a partially diluted basis, as a result of dilution caused by Common Share issuances.

The Common Shares are held by Dr. Barron for investment purposes, and depending on market and other conditions, Dr. Barron may from time to time in the future increase or decrease his respective ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise. As the number of Common Shares owned or controlled by Dr. Barron since the last Early Warning Report has decrease by more than 2% of the outstanding shares of the class, in satisfaction of the requirements of the National Instrument 62-104 – *Take-Over Bids And Issuer Bids* and National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, an Early Warning Report for Dr. Barron will be filed under the Company’s profile at www.sedar.com.

Extension of Promissory Note

The Company is currently indebted to Dr. Barron for \$580,500, pursuant to a 2017 promissory note (the “**Promissory Note**”). Concurrent with the above described Rights Offering, the Company has negotiated a further extension of the Promissory Note with Dr. Barron, to defer 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. All other terms of the Promissory Note shall remain in full force and effect.

Dr. Barron is an “insider” of the Company and, as such, the extension of the Promissory Note with Dr. Barron is considered a "related party transaction" pursuant to 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 Total Indebtedness does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Update on Scout Drilling Program

Final preparations for the commencement of scout drilling at Crunchy Hill are being made and the Company expects to start drilling imminently.

About Aurania

Aurania is a junior mineral exploration 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.

Information on Aurania and technical reports are available at www.aurania.com and www.sedar.com, as well as on Facebook at <https://www.facebook.com/auranialtd/>, Twitter at <https://twitter.com/auranialtd>, and LinkedIn at <https://www.linkedin.com/company/aurania-resources-ltd->.

For further information, please contact:

Carolyn Muir Manager – Investor Services Aurania Resources Ltd. (416) 367-3200 carolyn.muir@aurania.com	Dr. Richard Spencer President Aurania Resources Ltd. (416) 367-3200 richard.spencer@aurania.com
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In Europe:

Swiss Resource Capital AG

Jochen Staiger

info@resource-capital.ch

www.resource-capital.ch

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.