



AURANIA REPORTS ON PRESIDENTIAL DECREE THAT DEFINES THE GOVERNMENT'S ACTION PLAN TO STIMULATE RESPONSIBLE MINING IN ECUADOR

Toronto, Ontario, August 6, 2021 – Aurania Resources Ltd. (TSXV: ARU) (OTCQB: AUIAF) (Frankfurt: 20Q) (“Aurania” or the “Company” - <https://www.commodity-tv.com/ondemand/companies/profil/aurania-resources-ltd/>) reports that yesterday afternoon, Ecuadorian President Guillermo Lasso issued Decree 151 (“Decree”) that defines a new mining policy and provides a clearly articulated plan to support responsible mining in Ecuador as a key driver of the economy. The Decree defines a tight timeline for the achievement of specific action items. A translation of the action items and timeline is provided on our website <http://www.aurania.com/investors/ecuadors-action-plan-for-the-mining-sector/>.

Aurania’s Chairman & CEO, Dr. Keith Barron commented, “This decree from the office of President Lasso represents unequivocal support for exploration and mining that is done with due community engagement and care of the environment. The Fruta del Norte gold deposit, brought into production by Lundin Gold in 2019, represents Ecuador’s first example of a mining operation that fits the framework envisioned by the government in order for the mineral industry to take its rightful place as a driver of Ecuador’s economy.”

Our legal counsel in Ecuador, Dr. César Zumarraga, made the following comment, “Today is one of the most important days for the Ecuadorian mining industry in recent years. The document [Decree 151] defines the new public policy which includes clear principles of respect for mining rights and the promotion of best environmental and social practices that coincide with the desire of President Lasso’s government to create a favourable environment for increased investment and exports in the mining industry.”

Objective

The Decree lays out the action plan (“Plan”) to develop an efficient and environmentally and socially responsible mining industry, to promote national and foreign investment, and to implement best practices for the exploitation of these resources. The Plan will guarantee security of title, respect pre-existing mining rights and will involve an inter-institutional strategy for the eradication of illegal mining with its associated social and environmental impacts, in favour of legal and responsible mining.

Legal

The Decree makes it clear that mining-related matters are managed by the central government, not the provinces or any other entity.

Environment, Social and Governance (ESG)

The central government will incentivize the exploration and mining industry to adopt responsible social engagement and environmental management practices while ensuring that all labour laws and regulations are respected. Specifically:

- **Communication:** The Ministry of Energy and Non-Renewable Resources (“MENRR”) is to work with other institutions of the State to communicate the benefits of responsible mining to the

Ecuadorian people and local communities around mines while minimizing environmental impacts. This communication will focus on the conditions under which mines would be developed, the State's oversight of these activities and revenue that would flow from successful mining operations.

- **Prior consultation:** Define the regulation under which free prior consultation will be undertaken with communities in the area of influence of proposed mines.
- **Dispute Resolution:** Generate optimal technical and legal conditions for the prevention of conflict and controversies; where these exist, to promote discussion between all parties and facilitate resolution of the contentious issues.
- **Consultative Committee:** Creation of a committee that draws on members of the government and private sector to develop sound mining-related governance policies.

Management of the Exploration and Mining Sector

- **Strengthen oversight and management of mineral concessions:** Within 90 days of the issuance of the Decree, the Regulatory Agency of the MENRR ("Regulatory Agency") is required to provide a detailed report of all current mineral concessions.
- **Prepare for the reopening of the mineral concession application system:** The Regulatory Agency is required, within the same timeframe, to report on the current functionality of the concession application and maintenance process and to provide a plan of action to improve the electronic application system. This is required to provide a secure and transparent system that guarantees the integrity of the applications so that the mining concession cadastre can be reopened.
- **Accelerate permitting:** Within 2 months, the Ministry of Environment, Water and Ecological Transition will review the permitting process, prioritizing the backlog of permits and implementing a more efficient way of processing applications in the future. Pending processes are to be finalized in a period not exceeding 3 months, with a report to the Secretary General of the Cabinet. The name of the official responsible for any processes not completed during this timeframe is to be reported to the Secretary General.

Financial & Business Development

- **Communicating the role that responsible mining plays in the economy:** The State will provide transparent accounting and will communicate its use of proceeds from royalties and taxes obtained from mining. The State and responsible mining companies have the obligation to disseminate to the public at large, the amounts invested and the impact that mining projects are projected to have on Ecuador's economy.
- **Incentivize the development of priority resource projects:** The Decree highlights the importance of bringing known economic deposits, the development of which is projected to have significant impact on the economy, into production in an environmentally and socially responsible manner.
- **Promote mining agreements:** Encourage formal agreements to be negotiated between mineral concession-holders and the State in which binding economic terms such as tax rates and royalties are negotiated.
- **Negotiate mineral concessions held by the State:** ENAMI, the National Mining Company, is instructed to negotiate agreements with interested parties to stimulate the exploration and development of mineral concessions held by the State.
- **Formalize artisanal mining:** Formulate a plan through which informal mining operations can be legalized and incentivized to adopt practices that reduce their environmental impact and encourage engagement with surrounding communities, while ensuring that these operations contribute to the formal economy via due taxes.

Illegal Mining

The State undertakes to eradicate illegal mining due to its negative impacts on the national economy, the environment, the health of the surrounding communities and the erosion of confidence in the security of title. The Decree calls for inter-ministerial collaboration to achieve this goal.

About Aurania

Aurania is a mineral exploration company engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals and copper in South America. 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->.

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