Aurania Reports on Drilling at Tsenken N2 in Ecuador

04.11.2020 | Newsfile

Toronto, November 4, 2020 - Aurania Resources Ltd. (TSXV: ARU) (OTCQB: AUIAF) (FSE: 20Q) ("Aurania" or the "Company") reports that scout drilling at the Tsenken N2 copper target in Ecuador intersected mineral alteration zoning typical of an iron oxide copper-gold ("IOCG") system.

Management is very encouraged by the strength of the mineral alteration seen in the core of the first three holes drilled, with some sections of core showing almost wholescale replacement of the original rock by iron oxide (hematite). On completion of hole 3, core samples were sent to the assay laboratory so that their metal and pathfinder element concentrations can be determined and combined with mineral alteration data to vector towards the centre of the mineralized system.

Aurania's Chairman & CEO, Dr. Keith Barron commented, "Our target concept at Tsenken N2 was a porphyry related with a large magnetic feature evident in the geophysics. Drilling shows that the magnetic feature relates to intense magnetite alteration that is seen in most porphyries, but in Tsenken N2 it occurs with extensive hematite and other alteration minerals that are typical of IOCG systems. IOCGs are variable in size and shape - some are similar to porphyries (Figure 1) while others are vein-like (e.g. the Sossego copper-gold deposit in Brazil) or form flat-lying sheets (e.g. parts of the Candelaria copper deposit in Chile). Both Sossego and Candelaria are operating mines. IOCG systems are mined for their copper and gold in Brazil and in the Andes in Chile, where they occur with porphyries. Our aim in the Tsenken North area is to define the large-scale mineral zoning so that we can home in on the core of the system where any copper-gold would be concentrated."

Dr. Keith Barron, continued, "Aurania has already carried out substantial geochemical and geophysical surveying to define a large number of targets and the objective of "scout drilling" a limited number of holes per target is to achieve discovery in a minimal amount of time, knowing that an eventual full investigation of all the targets will take substantial time and resources. A Mobile Magnetotellurics survey ("MobileMT" or "MMT") will be undertaken shortly."

The potential for Aurania's Lost Cities - Cutucu Project to host IOCG deposits was previously discussed in the Company's 43-101 Technical Report authored by Dr. Robert Page, dated December 21, 2019 (available on www.SEDAR.com under Aurania's profile). The deep weathering profile intersected in the drilling at Tsenken N2 (to a depth of 150 metres below surface) is unusual for southeastern Ecuador and suggests that there is potential for supergene secondary copper blanket mineralization at depth in the Tsenken area.

Figure 1. A conceptual comparison of the distribution of the principal iron minerals in IOCG and porphyry systems. In a porphyry, pyrite is the dominant iron-bearing mineral, while in IOCG's, hematite and magnetite (iron oxides) predominate.

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/2477/67451_c69a3e3064ae3a28_001full.jpg

Details of the Drilling
Three drill holes (TS001-TS003) were completed for a total of 645 metres ("m") in the Tsenken N2 target area. One hole (TS004) has been completed to a depth of 230m at Tsenken N3- the target being a weakly magnetic feature that was modelled as a potential sulphide-rich zone consistent with a porphyry exploration model. Hole TS005 is in progress - aimed at a magnetic feature consistent with the core of an IOCG system (Figure 2).

Figure 2. Magnetic inversion model of geophysical data through drill holes TS004 and TS005 at the Tsenken N3 target. Pink and red colours are modelled as magnetic features (containing abundant magnetite) while

blues and greens are weakly to non-magnetic features.

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/2477/67451_c69a3e3064ae3a28_002full.jpg

Next Steps

- Due to the large size of many IOCG systems, we have taken a large step-out to drill at Tsenken N3, located 1.7 kilometres to the north of Tsenken N2.
- Drilling is planned for the breccia at Tsenken N1. Breccias are a common feature of IOCG systems and the occurrence of bornite - a copper sulphide mineral that is commonly found in the centre of these systems - at Tsenken N1, is consistent with this being a key target area.
- Aurania is contracting MPX Geophysics Ltd. of Ontario, Canada to perform a MMT heliborne survey over the currently known targets to better discriminate mineralization. MMT has the ability to "see" resistive (silica-bearing zones associated with many deposits would be resistive) or conductive zones (sulphides would be conductive) to depths of up to 1,000m, and variants of the technique have been used successfully elsewhere in Ecuador recently. The MMT survey is expected to begin sometime in November. Aurania's portfolio of porphyry-type targets generally do not come to surface with the exception of the Awacha target cluster. This is unlike the recent Porvenir discovery by SolGold and the redrilling of the Warintza porphyry by Solaris Resources in the Cordillera del Condor to the south of Aurania's project, both of which are exposed on surface.

Alteration Minerals and Alteration Zoning at Tsenken N2
The drill holes intersected sandstone and a 130m thick layer of trachyandesite lava flows. The lavas are intensely altered with sodic, sodic-calcic and potassic alteration, which is typical of IOCG systems, along with the iron oxide minerals hematite and magnetite. Alteration mineral data suggest that TS001 and TS002 are closer to the centre of the IOCG system than TS003 (Figure 1).

Qualified Persons
The technical information contained in this news release has been verified and approved by Jean-Paul Pallier, MSc. Mr. Pallier is a designated EurGeol by the European Federation of Geologists and a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

The technical information pertaining to geophysical data and related interpretations in this news release has been verified and approved by Jeremy S. Brett, M.Sc., P.Geo., an independent Senior Geophysical Consultant with MPH Consulting Limited. Mr. Brett is a Professional Geoscientist registered in the Province of Ontario, Canada and is a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

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-.

For further information, please contact:

Carolyn Muir
VP Investor Relations
Aurania Resources Ltd.
(416) 367-3200
carolyn.muir@aurania.com

Dr. Richard Spencer

President
Aurania Resources Ltd.
(416) 367-3200
richard.spencer@aurania.com

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 may contain 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, 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, the effects of COVID-19 on the business of the Company including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restrictions on labour and international travel and supply chains, 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.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/67451