Ecuadorian Government Provides Support for Mineral Exploration by Making Provision to Extend “Initial Exploration“ Phase

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Toronto, Dec 21, 2020 - Aurania Resources Ltd. (TSXV: ARU) (OTCQB: AUIAF) (FSE: 20Q) ("Aurania" or the "Company") reports that, on December 9, 2020, the Ecuadorian government adopted legislation whereby mineral concession-holders can be compensated for government-related delays in permitting by extending the term of the "Initial Exploration" phase.

Mineral concessions in Ecuador are granted for a period of 25 years, provided that they are kept in good standing through annual concession fee payments to the State, annual work and expenditure commitments being met and annual environmental impact reports being presented, all reports meeting the regulated standards. Current legislation is that the life of a mineral concession is segmented into a four-year "Initial Exploration" phase, followed by a four-year "Advanced Exploration" stage, followed by a two-year "Economic Evaluation" stage, leading to mine construction and mineral production in the remainder of the 25-year term. The annual concession fee payable to the State doubles from approximately US$10 per hectare in Initial Exploration to US$20 per hectare in Advanced Exploration - the concept being to incentivize exploration companies to reduce their concession holdings to focus on specific exploration target areas as quickly as possible - and therefore to free up the rejected areas for further investigation by competitor companies.

The new legislation adopted on December 9 clarifies that the "Initial Exploration" phase of a mineral concession begins not on the date that the concession was granted, but on the date on which the mineral concession-holder receives the permits required to effectively carry out operational activities on each concession. For Aurania's Lost Cities-Cutucu Project (the "Project"), this means that the Company may apply for extensions of between 16 and 40 months, depending on the date on which permissions were granted for each of its 42 concessions. Extending the Initial Exploration phase means that the annual fees paid to the State remain at approximately US$10 per hectare through this extension period, rather than doubling to approximately US$20 per hectare after January 2021.

Aurania's Chairman & CEO, Dr. Keith Barron commented, "We applaud and thank the Ecuadorian government for recognizing that permitting delays have hamstrung the exploration industry - and for taking such decisive action to correct this situation. We look forward to making mineral discoveries that will help to drive the growth of the Ecuadorian economy in the years ahead. I would like to thank Minister Ortiz, Aurania's legal counsel, and other exploration companies working in Ecuador for their efforts in having this legislation adopted."

As stipulated in the new regulation, Aurania will be submitting, within 30 days of the adoption of the legislation, applications to extend the Initial Exploration phase on each concession within the Project. According to the legislation, the extension of the Initial Exploration phase for Aurania's concessions that experienced the shortest delay in permitting will be to April 16, 2022, and for those that have been delayed the longest, to May 12, 2024. Annual concession fee payments will continue at a rate of approximately US$10 per hectare during the extended "Initial Exploration" phase - payments are due by the end of March each year.

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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