

Aurania Resources Ltd

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Aurania Resources is on the hunt for gold at its Lost Cities-Cutucu project in Ecuador

- Flagship asset, the Lost Cities-Cutucu project, lies in eastern foothills of the Andes mountain range in southeastern Ecuador
- Proven management team that discovered much of the gold and copper resources in the adjacent Cordillera del Condor
- Outperform rating by Noble Capital Markets based on ability to capture exploration value

What Aurania Resources does:

Aurania Resources Inc (CVE:ARU) (OTCQB:AUIAF) is a Toronto-based junior explorer with its flagship asset, the Lost Cities-Cutucu project in the eastern foothills of the Andes mountain range in southeastern Ecuador.

The mineral exploration company is engaged in the identification, evaluation, acquisition and exploration of mineral property interests, with a focus on precious metals and copper.

The company's origin story reads akin to something of a swashbuckling novel. Aurania's entry into Ecuador was driven by colonial Spanish documents describing the "lost cities" of Logroño de los Caballeros and Sevilla de Oro - gold mines that operated between about 1562 and 1600. Today, Aurania's management team believe that these "lost cities" are located within the firm's large concession area.

Far from being a treasure hunter, the company is led by a team of respected geologists with a track record of world-class discoveries under their belts. CEO Keith Barron cofounded gold explorer Aurelian Resources, which discovered the Fruta del Norte gold deposit in 2006 and is currently being developed by Lundin Gold.

The Lost Cities-Cutucu project lies along-trend of a mineral belt that hosts a well-endowed mineral belt that contains 26 million ounces of gold and almost 40 billion pounds of copper in the Cordillera del Condor region of the country. Aurania's aeromagnetic data indicates a similar granitic batholith beneath the central part the project area which, if proven, may have provided a similar source of porphyry, epithermal and skarn mineralization.

How is it doing:

In March, Aurania closed a financing that raised nearly C\$6.5 million to advance exploration work in Ecuador. The company said it plans to use the proceeds for exploration and corporate social responsibility activities at Lost Cities-Cutucu.

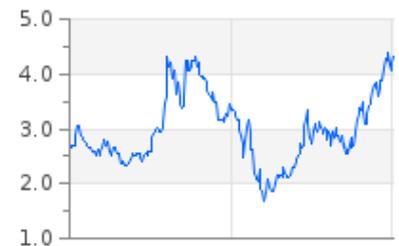
The firm plans to conduct basic exploration, including fieldwork and sampling, and complete and analyze geophysics surveys to refine specific target areas and to drill gold, silver and copper targets.

Recent exploration at Lost Cities-Cutucu identified 64 individual targets, 31 of which were categorized as high priority

Price: 4.3

Market Cap: \$174.71 m

1 Year Share Price Graph



August 2019 February 2020 August 2020

Share Information

Code: ARU

Listing: TSX-V

52 week High Low
4.5 1.51

Sector: Mining

Website: www.aurania.com

Company Synopsis:

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.

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for follow-up.

Additional LiDAR (Light Detection and Ranging) data identified a potential new gold-bearing zone on the property. Data from the LiDAR survey pinpointed a system of vein-like features that are similar to areas of silver enrichment in soil samples taken from the Tiria South gold-silver target on the project, and if confirmed by follow-up fieldwork, the target would be a gold-bearing zone lying at depth.

The company has said it will prioritize Tiria South for follow-up exploration when its teams are able to return to the project site once coronavirus-related restrictions ease in Ecuador. Aurania plans to conduct more detailed mapping and sampling along with geophysics aimed at identifying silica related to epithermal veins.

It also revealed that LiDAR survey imagery has pinpointed what may be an ancient road from colonial Spanish times on its Lost Cities-Cutucu project in Ecuador. The group said the possible road must be verified and assessed in the field by an archaeologist once coronavirus-related restrictions are lifted in the project area.

In July, the firm confirmed extensive high-grade copper and silver in the Tsenken B area of its Lost Cities-Cutucu project. The results extend from the mineralized fault breccia at the Tsenken A target around six kilometres to the north. Aurania said it plans to drill "as soon as possible," according to the company.

Inflection points:

- Drill results from gold-silver epithermal targets such as Yawi, where drilling is currently underway
- Develop joint ventures over parts of the 208,000-hectare property
- Soil sample porphyry targets followed by scout drilling on targets

What the broker says:

Tsenken is yielding an abundance of copper targets, according to analysts at Noble Capital in a note to clients on July 31.

"Aurania has had much success at the Tsenken area of its Lost Cities project," Noble wrote.

"During the last several weeks the company has confirmed copper and silver in breccia, sediment-hosted deposits as well as the potential for copper porphyry style deposits. While Aurania is a gold-focused explorer, the success of its copper exploration program may be an element of the story that investors under appreciate and could be an important source of value for shareholders."

The research firm has an Outperform rating on the stock and a US\$3.25 price target.

What the CEO says:

In an interview with Proactive at the PDAC conference in March 2020, Aurania CEO Keith Barron elaborated on the plethora of opportunities at Lost Cities-Cutucu.

"We have 20 silver-gold epithermal type targets, a high-grade lead-zinc silver target, and 30 copper porphyry targets, eight of which we've proven," Barron said.

"The piece de resistance is the high-grade copper and silver in sediments over 23 kilometres -- similar to the Zambian copper belt. These are fantastic results, certainly way beyond our best hopes. It's an embarrassment of riches."

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Follow her on Twitter @AHarmantas

Read: Aurania Resources: Pursuing the Path Not Taken in Ecuador

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