Management's Discussion and Analysis

For the three months ended March 31, 2020

Dated as of May 22, 2020

AURA MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THREE MONTHS ENDED MARCH 31, 2020

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The management's discussion and analysis ("MD&A") has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three months ended March 31, 2020.

Thus, this MD&A should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with both the annual audited consolidated financial statements for the year ended December 31, 2019, the related annual MD&A included in the 2019 Annual Financial Statements, and the most recent Annual Information Form ("AIF") as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at www.sedar.com.

Unless otherwise noted, references herein to "$" are to thousands of United States dollars. References to "C$" are to thousands of Canadian dollars. Tables and dollar figures in the body of the document are expressed in thousands of United States dollars, except where otherwise noted.

The Company has included certain non-GAAP financial measures, which the Company believes, that together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-GAAP financial measures included in this MD&A include:

- Cash operating costs per gold equivalent ounce produced;
- Cash operating costs per copper pound produced;

- Realized average gold price per ounce sold, gross;
- Realized average gold price per ounce sold, net of local taxes;
- EBITDA;
- Net Debt; and
- Adjusted EBITDA.

Reconciliations associated with the above performance measures can be found in Section 17: Non-GAAP Performance Measures.

Statements herein are subject to the risks and uncertainties identified in the Risk Factors and Cautionary Note regarding Forward-Looking Information sections of this MD&A.

All mineral resource and mineral reserve estimates included in documents referenced in this MD&A have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Readers are encouraged to review the AIF and full text of the Company's continuous disclosure documents. These documents are available on SEDAR and supply further information on the Company's compliance with NI 43-101 requirements.

Additional information relating to the Company, including the AIF, is available on the Company's profile on SEDAR at www.sedar.com.

1. BACKGROUND AND CORE BUSINESS

Aura Minerals is a mid-tier gold and copper production company focused on the operation and development of gold and base metal projects in the Americas. The Company is listed on the Toronto Stock Exchange under the symbol ORA. Aura Minerals is focused on responsible, sustainable growth and strives to operate to the highest environmental and safety standards and in a socially responsible manner at all of its operations.

The Company has the following mineral properties (with either a 100% interest in or 100% effective control over):

Producing assets:

- *The San Andres Gold Mine ("San Andres", "Minosa")* – an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, approximately 150 km southwest of the city of San Pedro Sula.
- *The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP", "Apoena")* – located in the southwest of Mato Grosso state, near Pontes e Lacerda in Brazil which consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto open pit mine, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japonês open pit mine and the near mine open-pit prospects of Nosde and Bananal.
- *The Aranzazu Copper Mine ("Aranzazu")* – an underground copper mine operation, also produces Gold as by-product, located within the Municipality of Concepcion del Oro in the State of Zacatecas, Mexico, near its northern border with the State of Coahuila. The Property is situated in a rugged mountainous area and is accessed either from the city of Zacatecas, located 250 km to the southwest, or from the city of Saltillo, located 112 km to the northeast in the State of Coahuila.

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Pre-operational asset:

- *The Gold Road Project ("Gold Road")* –Gold Road is a narrow vein underground gold mine located in the historical Oatman mining district of northern Arizona, northeast of the California-Nevada-Arizona border and 40 kilometers southwest of Kingman, Arizona. Historical gold production from the Oatman district has been over two million ounces with the Gold Road mine contributing approximately 746,000 ounces. In May 2018, a Preliminary Economic Assessment of Gold Road determined an inferred mineral resource of 214,000 ounces of gold at an average grade of 6.85 g/t. The land position acquired includes other adjacent historically mined veins including Gold Ore, Tru-Vein and Big Jim.

Projects:

- *The Almas Gold Project* ("Almas") – a gold project located in the state of Tocantins, Brazil. The Almas Gold Project consists of three deposits (Paiol, Vira Saia and Cata Funda) and several exploration targets, including Nova Prata/Espinheiro, Jacobina and Morro do Carneiro. Of these, only the three deposits have seen significant exploration work.
- *The Matupá Gold* Project ("Matupá") – Consists of three deposits including X1 and Serrinha (Gold) and Guarantã Ridge (base Metal). Matupá Project is located in northern part of the state of Mato Grosso, Brazil. X1 deposit was focus of exploration and drilling in the past and has established mineral resource and a 43-101 report. The other two deposits are in early stage of exploration. Matupá project's claims consist of multiple exploration targets including a Copper porphyry target.
- *The São Francisco Gold Mine ("São Francisco")* – Is an open-pit heap leach gold mine located in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Currently in care and maintenance.
- The Tolda Fria Gold Project ("Tolda Fria") – Is located in Caldas State, Colombia, currently in care and maintenance.

2. FIRST QUARTER 2020 FINANCIAL AND OPERATING HIGHLIGHTS

The event that marked the first quarter of 2020 was the outbreak of the new Coronavirus (COVID-19), which was declared a pandemic (the "Pandemic") by the World Health Organization on March 11, 2020.

The Company and its subsidiaries have prioritized the safety of its employees and the communities around it during the Pandemic and have put in place a series of actions and biosafety protocols during this period, besides expanding its social work with all the communities where it operates, including donations of food, medicine and medical supplies. From an operational perspective, the Pandemic has impacted our operations to varying degrees. We provide a detailed discussion on COVID-19 in the next chapter of this MD&A.

Although the Pandemic has brought some short-term impacts to our operations, some macroeconomic shocks arising from it may have a positive impact in the Company's financials in the future due to:

- Increase in Gold prices of 6.2% in the first quarter of 2020 (from 1,514.75 to $1,608.95/Oz; $1,744/Oz the day before the release of this MD&A) which compensates for the reduction in Copper prices.

- Devaluation of Brazilian Real by 29% (from 4.04 to 5.20) and the Mexican Peso by 29% in the first quarter

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of 2020. While such abrupt devaluations have a negative short term impact on P&L mainly associated with no cash items, it strengths the competitive position of the Company over the short, medium and long terms, because of the reduction in costs incurred in local currencies.

- Price reduction of many raw materials, such as Diesel and several chemicals and other components derived from oil.

- Substantial reductions on interest rates in several countries, including jurisdictions in which the Company have its operations, potentially reducing capital cost for projects development.

As result of market conditions arising due to the Pandemic, on March 24, the Company announced it had decided to postpone its initial public offering plans in Brazil, a plan that had originally disclosed to the market on March 3. The Company will reassess the market on a continuous basis in order to determine whether and when to re-launch the offering.

On March 27, 2020, Aura completed the acquisition of Gold Road, a mine located in Arizona, USA. See "Additional events for the first quarter of 2020" below.

The first quarter of 2020 saw also important advances in the "Ernesto Project" in the EPP mine, as the project is advancing according to the schedule. We expect Ernesto to declare commercial production in the second semester of 2020.

On Almas project, Aura hired Ausenco for the final phase of engineering and feasibility study to be able to initiate construction early 2021.

In Matupá, Aura advanced on the geological understanding of the porphyry potential and advancing on the geological program for the targets Alto Alegre and Target 47.

Finally, 2020 will mark more advances in geological developments in our operations and projects, as discussed in more detail in this document on Section 5 – Review of Mining Operations.

2.1 COVID-19 Pandemic

Although the operational challenges arising from the Pandemic has decreased the expectation for our cash flow generation during the first quarter, Aura's solid capital structure and strong working relationships with financial institutions in the jurisdictions in which it operates has allowed the Company to maintain strong liquidity through the Pandemic.

San Andres Mine in Honduras

On March 16, 2020, the Honduran government approved by decree the suspension of work in the public and private sectors, with private companies such as Aura having to operate with a minimal work force for general maintenance no greater than 50 people. Mining operations at San Andres were interrupted and Aura has reduced its workforce to the minimum in order to continue to satisfy environmental requirements in connection with operations and other

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critical activities at the mine. On a few occasions the Honduran government issued new orders which extended its previously-issued decree until May 24, 2020.

Notwithstanding its operational challenges, Aura has continued to give back to the local community, having donated food to more than 1,000 families, medicine and medical supplies to 6 local health centers, biosafety equipment to 8 health control checkpoints and other donations of personal protective equipment to the national police force, local reporters and nursing homes, among others. Meanwhile, together with local community leadership, authorities, our employees and other local businesses, Aura has been working on a detailed plan for the gradual and safe restart of operational activities when permitted. Aura has also implemented a series of measures to ensure safe conditions for our employees and restricted high-risk individuals from entering the site, including the provision of health questionnaires, temperature scanning, mandatory quarantine for high-risk individuals and the use of our Aura Tracker software tracking system.

Aranzazu Mine in Mexico

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which was first extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining Companies were allowed to request authorization to fully resume operations from May 18, 2020.

The March 31 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that would prevents their further continuation. Accordingly, the Company suspended all non-essential operations at Aranzazu while maintaining critical activities which are required to prevent safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing.

Despite these operational restrictions, there has not been a material impact on the mine's operational or financial performance to date due to accumulated inventory at the site.

In addition to implementing all measures required by the governmental decree, the Company has also helped implement measures together with municipal authorities for Concepcion del Oro such as a screening checkpoint for all those entering the city and contracting the local workforce to produce additional face masks for ongoing essential activities. In addition, Aura is assisting with other initiatives designed to support the community in this difficult time, including by providing canteens, transportation vehicles and health questionnaires, facilitating temperature scanning and the use of screening checkpoints, hiring additional medical personnel and supplying COVID-19 test kits.

Ernesto/Pau-a -Pique Mine in Brazil

Our Ernesto/Pau-a-Pique mine has been allowed to continue operations as governmental authorities have deemed mining as an essential industry. Despite this, the broader Pandemic impact has led to certain shipping delays and the need to establish new export routes for product coming out of the mine, which has been resolved to date. Aura continues to monitor the situation closely and does not anticipate there will be a material impact on the mine's expected operational or financial performance as the second quarter of 2020 progresses.

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In addition, Aura has implemented a series of initiatives to reduce risks among its employees at the mine, which includes the implementation of Aura Tracker; reducing its workforce on site by 20% and allowing such personnel to work from home, increasing the number of buses transporting employees to allow for a 50% reduction in seats, acquiring 2,000 COVID-19 test kits and mandating the use of masks on site at the mine. In addition, Aura extended its work with local communities and has donated masks and gloves to the state police force and personnel at the local detention center, in addition to purchasing 6,000 masks from local projects which were also donated and distributed to families in need, among other initiatives.

Aura's Other Projects and Personnel

At this time, our exploration activities for the Almas, Matupá and Gold Road projects have not been materially disrupted as a result of the Pandemic, and Aura continues, at a reduced workforce, to conduct exploration work at these properties while complying with all applicable regulations and undertaking measures necessary to ensure a safe work environment for employees and contractors.
With respect to the Gold Road mine in the United States, Aura has delayed in 1.5 month the start of mine development and contractor mobilization while promoting social distancing and implementing a work from home policy for those able to perform their jobs outside the mine site. In addition, Aura has implemented extensive cleaning services, banned in-person meetings with large groups and implemented measures to restrict high-risk individuals from entering the site. Once in production, Aura will implement additional measures consistent with those already implemented at our producing properties if still required in response to the Pandemic.

2.2 Operational Highlights

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
OPERATING DATA		
Gold ore processed (tonnes)	**1,533,011**	1,185,918
Gold produced (ounces)	**25,967**	20,064
Gold sold (ounces)	**21,044**	20,016
Copper ore processed (tonnes)	**197,233**	159,303
Copper concentrate produced (dry metric tonnes "DMT")	**12,122**	5,857
Total Production (Gold Equivalent Ounces)	**39,736**	30,245

- Despite operational challenges faced in Honduras in first quarter of 2020 due to the Pandemic, gold produced was 29% higher than same period of 2019, mainly due to effects of interruption in San Andres within the first quarter of 2019.

- Copper concentrate produced has increased, driven by the conclusion of the ramp-up phase of Aranzazu, which has achieved operational targets since the third quarter of 2019.

Production and cash cost highlights

Gold equivalent production and cash operating costs per gold equivalent ounce produced[1] for the three months ended March 31, 2020, and 2019 were as follows:

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Three months ended March 31,	2020			2019		
	Gold Equivalent Oz Produced		Cash costs per ounce of gold produced	Gold Equivalent Oz Produced		Cash costs per ounce of gold produced
San Andres	**14,363**	**$**	**1,060**	6,486	$	1,192
Brazilian Mines	**11,604**	**$**	**1,127**	13,578	$	843
Aranzazu	**13,768**	**$**	**1,051**	10,181	$	1,023
Total / Average	**39,735**	**$**	**1,076**	30,245	$	978

Total production of gold equivalent ounces has increased 31% in comparison to same quarter of 2019. The increase in San Andres is consequence of the operational interruption that affected most of first quarter of 2019. Moreover, better results from Aranzazu due to operational stabilization process within 2019 period after the restart ramp up period in the beginning of 2019.

Cash operating costs per gold equivalent ounce produced increased 10% in comparison to same period of 2019 and was mainly affected by:

- **Brazilian mines:** An increase of 18% in ore and waste moved in Apoena while total ounces produced have decreased 15% as result of mine sequencing. The increase is cash operating costs per gold equivalent ounce produced is due to mainly mining sequencing. For second semester, with start of the high grade Ernesto mine, cash operating costs per gold equivalent ounce produced is expected to reduce.

- **Aranzazu:** Increase in cash operating costs per gold equivalent ounce produced for Aranzazu is mainly due to copper price decrease and gold price increase. If we consider same gold and copper prices for calculation, the result would be a 17% reduction.

- **San Andres:** A reduction of 11% in cash operating costs per gold equivalent ounce produced for San Andres mainly because of increase in production, despite the impact of interruptions from the Pandemic in March.

2.3 Financial Highlights

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
FINANCIAL DATA				
IFRS Measures				
Net revenue	$	**48,626**	$	36,256
Gross Margin		**6,690**		1,076
Income for the year/period		**(17,664)**		(4,723)
Shareholder Equity	$	**178,307**	$	195,620
Non IFRS Measures				
Adjusted EBITDA		**5,807**		2,369
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)		**12%**		7%
Adjusted EBITDA last twelve months		**57,263**		7,724
Net Debt		**41,800**		13,972

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Net Revenues

- Net revenues in the first quarter of 2020 increased $12,370, a 34% growth compared to same period of 2019 as a result of:
    - Increased production and revenues in San Andres of $11,069;
    - Increased revenue from copper concentrate produced by Aranzazu of $6,668.

- Revenue from EPP decrease by $ 5,387 compared to the same period of 2019. This was mainly due to impact of the Pandemic which caused some delays in shipments and the need to establish new routes to export our production. Such issues were resolved in a few weeks and the bullion that had been delayed was shipped at the end of March, but revenue was only recognized in April.

- Delays in shipments in San Andres also impacted first quarter revenues as ore expected to be shipped in March was shipped only in April. At the end of the quarter, San Andres had 5,060 Oz of unrefined Gold in inventory.

Gross margin

- Gross margins for the first quarter of 2020 increased 521% over the same period in 2019, due to increases in production in San Andres and Aranzazu and higher gold prices.

Income for the period

The Company incurred loss for the period of $(17,664) in the first quarter of 2020 compared to a loss of $(4,723) in the same quarter of 2019. The decrease of $(12,941) is mainly a result of non-cash items as result of the strong devaluations of Brazilian Real and Mexican Peso, as the operational performance showed an improvement in the period, as demonstrated below:

- Increase in Operating Income of $4,702 due to increase in production and higher Gold prices.

- Decrease of Other gain (losses) of $6,729 mainly due to:
    - Unrealized and realized losses of $2,783 with Gold and Currency derivatives, because of the increase in Gold prices and devaluation of the Brazilian Real against the US Dollar;

    - Foreign exchange loss of $3,654 because the devaluation of Brazilian Real and Mexican Peso against the Dollar. This is mostly a non-cash item.

- Increase in tax expenses of $10,238 due to reduction of deferred tax assets and increase in deferred tax liabilities in Brazil and Mexico and the devaluation of local currencies against the dollar. This is an entirely non-cash item for the period.

Finally, export delays in Brazil and Honduras resulting from the Pandemic, as previously discussed, also had a negative impact on the income for the period.

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Shareholder’s Equity

As of March 31, 2020, shareholders' equity was $178,307 compared to $195,620 on December 31, 2019. The decrease of $17,312 was mainly due to the loss incurred in the period.

Additionally, the Company declared an extraordinary dividend of $3,044 in December 2019, which was paid out in January 2020.

EBITDA

EBITDA was $5,807 in the first quarter of 2020, compared to $2,370 recorded in the same period of 2019, as result of improvement of operating performance and better gold prices.

As mentioned above, broader Pandemic impact has led to certain shipping delays on our operations in Brazil and Honduras, with 4,209 and 5,060 ounces of gold dore, respectively being sold and recognized in April only due to lack of flight availability and other disruptions arising from Covid-19, impacting results for first quarter of 2020, such as Adjusted Ebitda. Results from these sales will be reflected on second quarter of 2020.

Net Debt

Net Debt in the first quarter of 2020 was $41,800, compared to $3,854 in the fourth quarter of 2019, an increase of $37,946 in the quarter. The main reasons for the increase in Net Debt include:

- The acquisition of Gold Road – the non-recourse Gold Road Debt is consolidated at a discounted value of $25,205. Management expects production to start before the end of 2020 and operating cashflow from the project itself to pay debt service.

- Payment of extraordinary dividend of $ 3,044.

- Foreign exchange impact of $ 2,131, mainly because of the strong devaluation of the Brazilian Real, impacting cash & cash equivalents denominated in Reais and reported in US Dollars.

- Purchase of property, plant and equipment of $10,705, some of which are non-recurring such as the development of Ernesto project $ 2,614 and the construction of new leaching pad in Honduras

In addition, inventory at San Andres at the end of March being 5,060 Oz, which, without the interruption from the Pandemic, would have been partially exported within the first quarter of 2020 contributed to the net debt increase in the period.

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Revenue components and highlights

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Gold revenue	**33,301**	26,595
Copper & Gold Concentrate Revenue	**17,353**	10,665
Gross Revenue	**50,654**	37,260
Ounces sold (GEO)		
San Andres	**12,848**	5,688
Brazilian Mines	**8,196**	14,328
Aranzazu	**14,172**	10,422
Total ounces sold	**35,216**	30,437
Gold sales revenues, net of local sales taxes	**$ 31,273**	$ 25,591
Average gold market price per oz (London PM Fix)	**$ 1,583**	$ 1,304
Realized average gold price per ounce sold, gross	**$ 1,582**	$ 1,329

Additional events for the first quarter of 2020

Acquisition of Gold Road Mine

On March 7th, 2020, the Company entered into a share purchase agreement to acquire all the outstanding common shares of Z79 Resources, Inc. ("Z79") (the "Share Purchase Agreement"), which, through Z79 holds: I) a 94% interest in Gold Road Mining Corp. ("GRMC"), which in turn owns the Adrienne Cornejo <adriennefcornejo@gmail.com> Mine located in Arizona (the "Gold Road Project") and II) a 94% interest in TR-UE Vein Exploration, Inc. ("TR-UE Vein"), which in turn owns various options to acquire parcels of land adjacent to the Gold Road Project.

The closing of the Gold Road Project acquisition occurred on March 27, 2020. Consideration paid pursuant to the Share Purchase Agreement consists of $1. As part of the acquisition, the Company assumed a non-recourse debt of $35 million, with an option to pre-pay for $24 million during the first year, which was fair valued at $25.2 million and guaranteed with the mine itself.

3. OUTLOOK AND KEY FACTORS

Although the scenario remains uncertain for the next several few months due to the Pandemic, the Company expects its operations to resume to normal in the second semester of 2020, in addition to some improvements as indicated below:

EPP: the production from higher grade Ernesto during the second semester of 2020 in addition to expected commercial production from NOSDE mine and Rio Alegre Project, should result in higher production. Pre-stripping costs for Ernesto and NOSDE mine developments will push up capital expenditures, although the projects' economics and internal rate of return are promising for the following years.

San Andres: Access to areas with more favorable grades/recoveries should also take production to higher levels compared to those historically seen in favorable years in the second semester. Capital expenditures will be higher than usual due to investments required to access certain areas and the development of a new leaching pad, which is expected, in its first phase, to guarantee at least another two years of operations.

Aranzazu: We expect overall operational performance and production to be above the levels observed in the last three quarters, resulting in lower cash operating costs per gold equivalent ounce produced for 2020. We are also

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engaged in advanced stage studies to increase production capacity by 30%, which should impact production by late 2020.

Gold Road: The Company has developed a 3-D model and a mine plan. The Company expects to start ramp-up in fourth quarter of 2020. Meanwhile, drilling campaigns continue in order to detail information on resources and prepare mine plan for subsequent years, expansion of inferred resource footprint on phase 2, and phase 3 of drilling campaigns.

São Francisco: The mine had been in operation for over 10 year, and it is located 85 Km North of our current operation EPP. In 2016, the mine was placed in care and maintenance due to reduced investment in geology on previous years and as consequence the lack of new reserves for operational continuity. New analysis and initial geology studies will be carried in order to understand its potential for a restart.

Almas: We plan to complete the engineering phase and feasibility study during the second semester of 2020 to be able to initiate construction next year and declare commercial production in 2022.

Matupá: We plan to continue in exploration activities in 2020 to increase the resource base substantially and start the mine plan, engineering, and feasibility in the following year. In addition, there is evidence of a potential copper porphyry, and we are therefore investing in exploration to further investigate it.

Tolda Fria: The project as of the date hereof has 947,000 Oz in inferred mineral resources based on last NI 43-101 report in 2011, with 12,370,000 Mt @ 2.38 g/t Au, Aura is starting to do surface geology of the much larger mining rights adjacent to the mine.

4. SAFETY, ENVIROMENT & COMMUNITY

Safety

Aura's guidelines of using robust management systems and treat safety as a top priority, with direct senior leadership involvement in the safety committee are best described by the actions taken on the ground:

Apoena

During the first quarter of 2020, Apoena conducted 9,055 man hours of safety training covering more than 400 employees, direct and indirect. We developed and led 4 Healthy campaigns with emphasis on COVID-19 prevention, including the mandatory use of masks, hygiene, minimum distance to be kept from other people, the use of maximum 50% capacity on buses, among others. We have also carried out 1,186 safety inspections, 33 environmental inspections and 53 major risks inspections.

Aranzazu

Within the first quarter of 2020, Aranzazu registered zero accidents and conducted 8,708 man hours of Safety, Health and Environment training. The number one challenge for this year is Zero Personal Accident and in that regard the Company has been working on behavioral issues through the Security Approach tool, aiming to emphasize safety procedures and eliminate risk behavior. As a result of these improvements and the learning curve after 2 years of

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our operational restart, Aranzazu has experienced a 96% reduction in the total accident frequency rate, from 11.7 in 2018 to 0.47 in 2019 and currently at 0.00, with no accidents within 2020.

San Andres

During the first quarter of 2020, San Andres registered zero lost time accidents and has trained 217 people with a total of 1,748 man hours of safety induction for admission, critical tasks procedures, operational process procedures, alcohol and drugs policy and COVID-19 prevention. We have kept Critical Control management for high risk tasks with Maintenance department, with a 100% compliance, including planning meetings and critical risks analysis.

The total accident frequency rate for the first quarter of 2020 was 0.47, again with no lost time accidents, a 76% reduction in comparison to the December 2019 rate.

The San Andrés Occupational Health Program was carried out until March 19, 2020, when the operation was stopped pursuant to government instructions in response to the mitigation measures from the Pandemic. San Andrés took preventive actions in the same way, training personnel and facilities adjustment.

Aura's Geotechnical Compliance

Aura's operations have tailings dams at the operating units in Brazil and Mexico and a heap leach pad at the Honduras operation that follow safety and risk management standards. Dams and heap leach pad were designed by renowned engineering companies in the market, following the regulations in force in each country and the best mining practices. All dams have an operating manual that indicates the frequency of instrumentation reading, level controls, field inspections, etc. The data collected from the instruments and inspections are sent monthly to specialized consulting companies that evaluate the data and issue compliance reports that indicate safety conditions and recommendations when necessary. The implementation of a corporate management system to standardize the safety management of geotechnical structures, including tailings dams, leach pads and waste dumps, was initiated in 2019 and keep moving forward with the expectation of completion by the end of 2020. We had the support of companies such as SRK, Wood, GHT, DAM and Geoconsultoria. All dams, waste dumps and heap leach pad that are currently in operation or in C&M are in satisfactory stability.

Community

As a result of the Pandemic, all programs and activities developed by our working groups in Brazil, Honduras, and Mexico during the first quarter of 2020 had the purpose of protecting our employees, their families and our host communities. At Aura, we have worked to implement the best safety practices to prevent the spread of COVID-19 among our employees, including by practicing social distancing and implementing protocols for hygiene. In addition, we have provided masks, gloves and sanitation supplies to assist the communities surrounding Apoena, Minosa and Aranzazu.

Apoena - United Nations' Sustainable Development Goal: Quality Education

At Apoena, we have implemented new measures in order to reduce the spread of COVID-19 and are continuing and extending our social work within local communities. We have donated masks and gloves to the state police force and to personnel at the local detention center and purchased another 6,000 masks from local projects that we have donated and distributed to families in need. For the protection of our team and the community as well, Aura has implemented Aura Tracker to provide reliable information on close interactions among our employees to assist in the event that we discover any individuals at a high-risk of contracting, or who have contracted, COVID-19.

Among other initiatives, 430 high school students benefited from the Entrepreneurship Education Program we implemented that will feature an Entrepreneurship Fair, a practical stage of the program. 12 air conditioners were donated to a local school and we have initiated a volunteer program where we offer free English and Spanish courses for local teenagers.

Aranzazu - United Nations' Sustainable Development Goal: Decent Work and Economic Growth

One of the main pillars for Aranzazu's management is the good relationship with the Concepción del Oro Community. For the year 2020, many socio-economic actions are planned. Among the main themes for the first quarter we also plan on updating studies and data gathering of local socio-economic situation in Concepción del Oro and implementing partnership programs with the community to create jobs and new sources of income, such as a cooking course. The development of a computer workshop for young people in Concepción del Oro is also scheduled for this year. For 2020 we will also develop initiatives relating to sports, culture, health and the environment.

In addition to implementing all measures required by the governmental decree, the Company has also helped implement measures together with municipal authorities for Concepcion del Oro such as a screening checkpoint for all those entering the city and contracting the local workforce to produce additional face masks for ongoing essential activities. In addition, Aura is assisting with other initiatives designed to support the community in this difficult time, including providing canteens, transportation vehicles and health questionnaires, facilitating temperature scanning and the use of screening checkpoints, hiring additional medical personnel and supplying COVID-19 test kits.

San Andres – United Nations' Sustainable Development Goal: Zero Hunger

In this first quarter of 2020, **we have** developed a scholarship program for high-performing students, and a school service campaign was also held reaching 900 local students. 4,000 trees have been planted under the Sowing Project in the rural area of "Crucitas" and has employed 30 people. The health clinic run by the Company has provided medical care for more than 1,000 people locally.

In addition, Aura has donated food to more than 1,000 families, medicine and medical supplies to 6 local health centers, biosafety equipment to 8 health control checkpoints and other donations of personal protective equipment to the national police force, local reporters and nursing homes, among others. Meanwhile, together with local community leadership, authorities, our employees and other local businesses, Aura has been working on a detailed plan for the gradual and safe restart of operational activities when permitted. Aura has also implemented a series of measures to ensure safe conditions for our employees and restricted high-risk individuals from entering the site, including the provision of health questionnaires, temperature scanning and mandatory quarantine for high-risk individuals.

Aura's Ethics Committee

In 2018, the Company implemented and rolled out to all business units an independent whistleblower channel managed by TMF Group (tmf-group.com), through which any stakeholder can call and make an anonymous report. Any claims are later forwarded to the Company's Ethics Committee, which is chaired by the CEO, which will review

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and discuss all claims and make appropriate recommendations where needed to respective operation General Manager, whenever he is not, in any form, related to the respective claim, situation in which committee is responsible to apply the proposed measures together with Corporate.

5. REVIEW OF MINING OPERATIONS AND EXPLORATION

San Andres, Honduras

The San Andres Gold mine belongs to Minerales de Occidente (MINOSA), a wholly-owned subsidiary of Aura and located 360 km from Honduras' capital of Tegucigalpa in the western highlands of the country. Exploration and artisanal mining have been conducted in the area since the 1930s with modernization beginning in 1983. Aura acquired the property and infrastructure in 2009 and currently operates the open-pit, heap-leach complex.

Operating performance:

On March 16, 2020, the Honduran government decreed the suspension of work in the public and private sectors, with private companies such as Aura having to operate with a minimal work force for general maintenance no greater than 50 people. So far the suspension was extended until May 24, 2020. Minerales de Occidente, S.A. de C.V., the Company's subsidiary which owns the surface and mineral rights of the San Andres Mine, initially obtained authorization to continue leaching activities, but has since suspended such activities in response to the initial extension of the government's orders.

The interruption had a material impact on our operational and financial performances for the first and should have impact on the second quarter of 2020. In addition, and as a consequence of the suspension of most activities in Honduras, we had constraints to export and were forced to postpone shipments. The constraints were resolved in few weeks, but had an impact on first quarter revenues, delayed to the second quarter of the year.

The table below sets out selected operating information for San Andres for the three months ended March 31, 2020 and 2019:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Ore mined (tonnes)	**1,109,357**	835,195
Waste mined (tonnes)	**970,044**	670,525
Total mined (tonnes)	**2,079,401**	1,505,720
Waste to ore ratio	**0.87**	0.80
Ore plant feed (tonnes)	**1,123,816**	797,248
Grade (g/tonne)	**0.42**	0.45
Production (ounces)	**14,363**	6,486
Sales (ounces)	**12,848**	5,688
Average cash cost per ounce of gold produced	**$ 1,060**	$ 1,192

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Results for San Andres during the first quarter of 2020 as compared to the same period of 2019 are as follow:

- Despite the effects of the operational suspension resulting from the Pandemic beginning on March 16, 2020, ore mined increased by 33% in the first quarter of 2020 compared with the first quarter of 2019 due to mining interruption occurring between December 2018 and February 2019.
- San Andres moved 45% more waste within the first quarter of 2020 compared with same period of 2019 also due to interruption mentioned above.
- Operation reached a 41% increase in plant feed in comparison with the first quarter of 2019.
- Ore grades decreased by 7% due to mine sequencing and the focus on preparing a higher grade and recovery areas for the Q3 and Q4 of 2020.
- Plant recovery was 69% higher due to better metallurgy and specifics of long leaching cycle of a heap leach operation.
- Sales increased to 126% compared to the same quarter in 2019. San Andres sales were 11% lower than production due to delays of shipments resulting from the Pandemic by the end of March.

Other developments

During the first quarter of 2020 we started new leaching pad construction, with $ 8.6 million expected to be invested during 2020 and stacking expected to start during the first quarter of 2021, with total capacity of 14 million tonnes that will be sufficient for 24 months of operation at full capacity.

Mine development in Esperanza Project at the so-called Cerro Cementerio area has reached 64% progress, with a total of 589 negotiations concluded with families and $5.1 million paid in indemnities since the start of the project, being 197 and $1.0 million, respectively, within the first quarter of 2020.

On February 10, the sixth collective agreement between Minerales de Occidente and San Andres employees' union, SITRAMINO, was signed for a term lasting three years.

Strategic developments and geology

As part of a new plan to improve efficiency by higher recoveries, in the second semester of 2019 and the first quarter of 2020, San Andres resumed its focus on infill and condemnation drilling. Total of 139 drill holes were executed, totaling 10,363 m (41 during 2020). Part of the infill program 111 drills and 7,654.4m drilled corresponds to the areas of Fault A where one of the primary conduits with high-grades exist. Average grade Falla A zone is 0.4 to 0.6 gpt with some pockets of higher grades (0.60 and 3.0 gpt) exist that can expand current reserve pit footprint and lead to increasing grade and tons from this zone. On East Ledge North area, the continuation of the main ore conduit can be found at depth with variable grades from 0.6 to 2.25 gpt the result of drilling provided better mine plan for 2020. Also, we drilled in Banana Ridge and north extension East Ledge zone (ELN1 &ELN2) the results confirm grade to resource model and improve confidence. The best intervals show grades between 0.46 to 0.71 gpt in intervals greater than 50m.

In 2020, San Andres plans to spend between $1.7M and $3.1M in exploration and metallurgical research. The focus is to have a better and detailed mine plan with higher grades, higher recoveries, and lower waste which, combined

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with few additional investments in some bottlenecks, would provide the ability to improve Gold production capacity on 2021

Management also decided to start a regional exploration program and study high-grade pockets of sulfides for alternative production processes that could unlock value and increase production. Besides, mineralogical and metallurgical testing will better define geochemical composition of oxide and sulfide mineralization.

The operational plans contemplate oxide ores from the Esperanza push back. This will allow for higher recoveries and higher grades.

Ernesto and Pau-a-Pique (EPP):

Introduction

EPP is located in Mato Grosso, Brazil, approximately 450 km west of Cuiabá, the state capital and 12 km from the town of Pontes e Lacerda. The complex consists of a processing plant fed by satellites mines such as Lavrinha, Japonês, and Ernesto Open pit mines and the Pau-a-Pique underground deposit. Other significant assets, such as Nosde and Japonês extension deposits, are located nearby and are in different stages of development and exploration. Recently the Company commenced development of a new pit in the Ernesto deposit (nearby the old Yamana pit) to mine Lower Trap ore body. New Ernesto mine will achieve full year production in 2021.

Mine planning for all the deposits is integrated since they share the same production plant, and any increase or decrease in each of the mines can be (but not necessarily is) the result of changing in such mine sequencing. Having multiple deposits offer EPP natural hedging for grade variations in the other deposits.

Operating performance

Our EPP mine has been allowed to continue operations as governmental authorities have deemed mining as an essential industry. Despite this, the broader Pandemic impact has led to certain shipping delays and the need to establish new export routes for product coming out of the mine, which has been resolved to date. Aura continues to monitor the situation closely and does not anticipate there will be a material impact on the mine’s expected operational or financial performance as the second quarter of 2020 progresses.

The development of the new mines Nosde and Ernesto are on schedule to start production on second semester of 2020. Nosde has similar characteristics with the current deposits of Japonês and Lavrinha and will complement the production of those mines.

Ernesto, the high-grade deposit, will be prepared during this year and is expected to declare commercial production by October 2020. Ernesto is a particular mine with expected average grade of 2.5 g/ton which is expected to deliver a high internal rate of return of its three years proven life of mine when compared with the current 1.10g/ton mined from other open pit mines.

The table below sets out selected operating information for EPP Project consolidated for the three months ended March 31, 2020, and 2019.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Ore mined (tonnes)		**371,107**		317,610
Waste mined (tonnes)		**3,273,193**		2,783,716
Total mined (tonnes)		**3,644,300**		3,101,326
Waste to ore ratio		**8.82**		8.76
Ore plant feed (tonnes)		**409,195**		388,670
Grade (g/tonne)		**0.94**		1.14
Recovery (%)		**94.0%**		95.5%
Production (ounces)		**11,604**		13,578
Sales (ounces)		**8,196**		14,328
Average cash cost per ounce of gold produced	**$**	**1,127**	$	843

- Mine production was 17% higher than it was in the same period in 2019. Japonês Mine presented better performance considering it was at Ramp up phase during first quarter of 2019.

- Higher waste moved during first quarter of 2020 due to pre-stripping of Ernesto, initiated in December 2019.

- Plant throughput was 5% higher than it was in the same period in 2019 as a consequence of higher ore produced from the mines and better plant performance, increasing performance from 193 tph to 210 tph based on better control and improvements implemented.

- Mine grade was 18% less than it was in the same period in 2019. These lower grades were expected as result of mine sequence and in accordance with Geological Model for the zones mined during this period**.** Better grades are expected from next quarter.

- No material change occurred with respect to recovery rates due to variation in ore feed from different mines once each material presents specific features, especially Lavrinha, that presents very good recovery.

- Lower gold production in the period resulted from lower grade feed in the plant, even with 5% increase in the throughput.

- Cash operating cost per gold equivalent ounce produced was 34% higher than the same period during 2019, due to 18% higher volume of ore and waste moved, while gold production was 15% lower as a consequence of lower grades. Also, hauling costs for Lavrinha were 26% higher due to greater distances as pit becomes wider.

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Strategic developments and geology

The strategic plan for exploration in Apoena during 2019 was two-fold. First to increase life of mine for each deposit in EPP through exploration and infill drilling and second to unlock potential of other assets in Guapore belt to have sustainable ore feed in long term. Bananal target was drilled to expose potential for later strategic goal.

In 2019, 192 holes were drilled for exploration purposes, totaling 19,942m. In the first quarter of 2020 50 holes were drilled in Nosde, totaling 3,858m.

A total of 168 holes, totaling 14,772m, were done for infill/extension drilling to convert inferred resources to Measured and Indicated in Lavrinha, Japonês and Nosde mines. The mineralization is still open downdip in Nosde and Lavrinha and additional works are underway.

The results have been successful for Open Pit mines and is expected to increase life of mine for Lavrinha and Nosde deposits. Additional exploration in Lavrinha and Japonês respectively which replaced the depleted ounces in reserve. Infill drilling in Nosde convert 75% ore body to Measured and Indicated.

Aura also conducted 4,500m of exploration drilling in Pau Pique to expand resources down dip plunge. The initial results were positive and will follow up with deeper drilling along plunge of ore bodies to increase the life of mine for Pau Pique beyond 2020.

Bananal is an exploration target located 22 kilometers south of the EPP plant. Surface sampling and exploration drilling were conducted during 2019, showing important gold mineralization. Less than one kilometer of a five kilometers target zone was drilled so far with 24 exploration holes, totaling 5,170m. Those drill holes confirmed gold mineralization continuity along at least 300m strike length. The mineralization is still open along strike and downdip and additional drilling is planned in 2020 to define a preliminary mineral resource and an economic assessment.

Aranzazu

Introduction

Aranzazu is an underground copper mine 100% owned by Aura, located in Zacatecas, Mexico approximately 250 km from Monterrey. Documented evidence of mining in the area dates back almost 500 years. The current mine has been in operation since 1962, with Aura assuming ownership in 2010. In 2014 due to lower copper prices and poor mine and plant performance, Aura closed the mine. In 2017 after better copper prices and new management approach, Aura decide to re-analyze the business. After a new investments and detailed analysis of the geology, metallurgy, geotechnical, plant among others detailed studies, Aura decided to build a detailed 5-year feasibility study. Report was published with promising results, then Aranzazu signed a 3 year off take agreement, obtained funding, involved a top hiring and consulting company, redesigned the governance, created new incentive program, built a new tailings dam and restarted the mine.

As a result, in December 2018 Aranzazu declared commercial production, ahead of schedule and under budget. During the second semester in 2019, Aranzazu showed better KPIs compared to the full feasibility studies while still has room for higher production and better performance.

As part of the original plan, management focused on having a detailed 5-year mine plan (LOM) to be able to restart and expand it once generating positive cash flows. Since early 2019, Aranzazu has invested in geological studies, consolidating its over 100 years of information with a new geophysical data and external consultant such as Richard Sillitoe and Lawrence D. Meinert, with results that have been promising, as discussed below.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

Operational performance

The mine reached record of production and mine development in the quarter, results of productivity stability by the mine contractor and complete understanding of mine geology and method at Glory Hole area. Plant maintains consistency in recovery indicators at levels higher than those estimated on 2018 restart studies, for both Copper and Gold. Plan for 20-30% production increase made in 2018 remains underway, with preparation activities for mine and Plant adjustments already started, according to 2020 Budget.

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which was first extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining Companies were allowed to request authorization to fully resume operations from May 18, 2020.
During the suspension period, the Company suspended all non-essential operations at Aranzazu while maintaining critical activities which are required to prevent safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing. Despite the restrictions, there has not been a material impact on the mine's operational or financial performance to date due to accumulated inventory at the site.

The table below sets out additional selected operating information for Aranzazu for the three months ended on March 31, 2020 and 2019:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Ore mined (tonnes)	**217,559**	160,176
Ore processed (tonnes)	**197,233**	159,303
Copper grade (%)	**1.43%**	1.07%
Gold grade (g/tonne)	**0.82**	0.66
Silver grade (g/tonne)	**22.75**	14.93
Copper recovery	**91.0%**	86.7%
Gold recovery	**76.4%**	74.2%
Silver recovery	**60.8%**	54.6%
Concentrate production:		
Copper concentrate produced (DMT)	**12,122**	5,857
Copper contained in concentrate (%)	**21.2%**	25.3%
Gold contained in concentrate (g/DMT)	**10.2**	12.7
Silver contained in concentrate (g/DMT)	**225.0**	216.5
Copper pounds produced ('000 Lb)	**5,668**	3,381
Total production (Gold Equivalent Oz - GEO)	**13,768**	10,181
Cash cost per gold equivalent ounce produced	**$ 1,051**	$ 1,023
Cash Cost per Copper pound produced	**$ 1.65**	$ 2.03

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- Ore mined was 36% higher than during the same period of 2019 when we were at ramp up phase.

- Copper and Gold ore grades expected from geological model have been confirmed according at Glory Hole areas, accumulating grades of 1.43% for Copper and 0.82 grams per tons for Gold within the quarter. These grades are higher than those from the same period of 2019, since in that period we were producing at remaining and less attractive areas of the mine, while Glory Hole was under development. Grades are slightly inferior to the previous semester due to a mine plan that underwent minor changes according to region being mined but as provided from geological model.

- Plant reached a record rate of 91% for copper recovery, 3% higher than that expected from Feasibility Study and 2% higher than previous quarter. Gold and silver recovery in the period were 76.4% and 60.8% respectively, as planned for the period.

- Copper contained in concentrate in first quarter of 2020 was lower in comparison to same period of 2019 due to initiatives to increase metal recovery in the process.

Other developments

Ongoing work to increase production by 20-30% by 2021, and expected positive impact on fourth quarter of 2020 production, is already underway and should intensify during next few quarters. The mine is already being prepared in all its ventilation and pumping infrastructure, as well as the details of the changes to the plant are already in the final stage.

Strategic developments and geology

In 2019, Aura conducted an exploration data review, geological mapping and surface sampling at Aranzazu near mine district. An airborne magnetic survey was also undertaken by New-Sense Geophysics Ltd3D magnetic inversion indicated that the main mine area (Glory Hole Skarn) is significantly open downdip and a drilling program was initiated in the end of 2019 the program will continue in 2020. Geological mapping and sampling, along with geophysical data, are generating a significant amount of new early stage targets in the district, mainly at El Cobre and Cerro Conejos Zone, where significant high-grade veins and new skarns zones have been found.

This year Aura plans to further invest in Geology around $5 million in Aranzazu. The main objective is to upgrade a significant part of the existing inferred resources of Glory Hole Mine to measured and indicated resources and also to further explore other near mine district targets.

Gold Road

After successfully closing the acquisition of Gold Road in March 2020, Aura is initiating a multi-phase drilling campaign to further delineate and confirm current resources and to expand the minable resource footprint of the property.

Gold Road has an inferred resource of 978,000 tons @ 0.22 oz./t (6.83 g/t) containing 214,000 ounces of gold, which were reported by RPM in 2018 (NI 43-101 Technical Report, Preliminary Economic Assessment of the Gold Road Mine, Arizona, USA, RPM Global , May 2018) . Aura has developed the property's first 3-D model of ore body and a mine plan based on these inferred resources.

Phase 1 of the diamond drilling campaign includes approximately 12,900 feet of drilling in 33 holes. The objectives are the development of a mine plan and delineation and upgrade of 50,000 ounces of gold from the inferred mineral resource to indicated mineral resource category.

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Phase 2 of the diamond drilling program includes approximately 32,000 feet of drilling in 54 holes. As in phase 1, all of the drilling will be done from underground. About 800 feet of exploration crosscuts will be driven to access down plunge targets at optimal angles. The objective of this phase of the campaign is to expand the inferred resource footprint, which will be required for longer term mine plans. Promising targets will be further delineated, and the resource class upgraded by follow-up drilling in 2021.

Phase 3 of the diamond drilling program includes approximately 28,000 feet of surface drilling in 25 holes that will explore the west end of the property underneath of shaft N° 1 and also near surface in eastern strike extension which are not accessible from underground.

Exploration activities beyond Gold Road will include structural and surface mapping of two of the historically mined parallel vein structures known as TR-UE Vein and Gold Ore.

Matupá

Matupá's mineral rights comprises of about 28,000 hectares located within the prolific Alta Floresta gold province in the state of Mato Grosso, Brazil. The property was acquired through the merger with Rio Novo in 2018 and is composed of five mining and exploration permits. The project benefits from excellent infrastructure in the region such as good roads, power, water and qualified workforce.

In 2019, exploration activities were focused on Alto Alegre Block, with significant soil anomalies for copper and gold were outlined and a significant high-grade vein was found (Valdemar), besides several other high-grade surface chip samples occurring in a broader area. Channel samples at Valdemar vein yielded values of 261g/t Au, 179.2 g/t Au, 195g/t Ag and 2.73% Cu.

With the existing 332 k Oz or M&I resources (X1 deposit) and high-grade new discoveries Matupá has the potential to become a gold mine operation if exploration expand additional resources beyond X1. During 2020, Aura plan to invest $ 1.2 MM in geology with the objective to further increase the reserves to be able to start the mine and engineering phase subsequently.

Although Aura was not focusing on any copper porphyry potential during the merger with Rio Novo, during the last two years a strong Indication of a possible copper porphyry alteration has been identified. Historical exploration data review undertaken in 2018 noted a copper and molybdenum anomaly located 1.8 kilometers from the X1 deposit and anomalous copper intersected in hole FX1D0047 with 173m @ 0.11% Cu, from 20.5 to 193.56m (end of hole) in 2019. A subsequent hole performed in the first quarter of 2020 confirmed the anomaly with 281m @ 0.18% CuEq (Hole F47D001).

However additional studies and exploration activities are necessary to confirm such hypothesis and they will continue to be undertaken during 2020.

São Francisco

São Francisco is an open-pit heap leach gold mine located near Aura´s EPP Complex in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital.

The São Francisco gold mine had been in operation for over 10 years and has been in care and maintenance since 2016.

The site has a production plant already installed and most of the permits ready to restart in case it succeeds proving additional Gold deposits during a new geological campaign. Synergies with the EPP Complex are expected in case of a restart once it is located 85 Km North of the EPP complex.

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During previous cash-constrained years, minor near-mine exploration was done, and the reserves were depleted. Aura is evaluating alternatives to restart the Project. The geological district is promising, and four target areas were already identified such as South Dome, South Canyon, Area 3 and Area 5. During 2020 a desktop study planned to investigate those targets and its potential to increase São Francisco reserves basis enough to support its reopening.

Tolda Fria

The Tolda Fria Gold Project is 100% owned by Aura Minerals and was acquired through the Rio Novo merger in 2018. The project is located approximately 10 km southeast of the City of Manizales in the Department of Caldas, Colombia. This property contains significant high-grade mineralization and 14 km of underground development for exploration access that was used to complete a NI 43-101-compliant resource estimation.

The Company continues to assess possible ways for further developing Tolda Fria.

6. RESULTS OF OPERATIONS

Details of net revenues, cost of production, depletion and amortization and gross margin are presented below:

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Net Revenues:				
San Andres	$	18,910	$	7,841
Brazilian Mines		12,363		17,750
Aranzazu		17,353		10,665
	$	48,626	$	36,256
Cost of Production:				
San Andres	$	13,922	$	7,077
Brazilian Mines		9,958		10,995
Aranzazu		13,624		11,416
	$	37,504	$	29,488
Depletion and Amortization:				
San Andres	$	1,445	$	1,361
Brazilian Mines		1,031		2,804
Aranzazu		1,956		1,527
	$	4,432	$	5,692
Gross Margin:				
San Andres	$	3,543	$	(597)
Brazilian Mines		1,374		3,951
Aranzazu		1,773		(2,278)
	$	6,690	$	1,076

Net Revenues

Net revenues in the first quarter of 2020 increased $12,370, a 34% growth compared to same period of 2019 as a result of:

- Increased production and revenues in San Andres of $11,069;
- Increased revenue from copper concentrate produced by Aranzazu of $6,668.

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Revenue from EPP decrease by $5,387 compared to the same period of 2019. This was mainly due to the impact of the Pandemic which caused some delays in shipments and the need to establish new routes to export our product. Such issues were solved in few weeks and the bullion was shipped at the end of March, but revenue was only recognized in April.

Exploration expenses

For the three months ended March 31,		2020		2019
San Andres mine	$	195	$	58
Brazilian projects		607		915
Aranzazu mine		28		43
Gold Road		8		-
	$	838	$	1,016

The exploration expense for other Brazilian projects, Matupá, and Aranzazu, mainly represents costs related to increased efforts to discover potential new mining areas. At Gold Road, which was acquired on March 27, 2020, exploration expenditures have been incurred to detail mine reserves and resources. Increases to exploration expenses in San Andres, as already discussed, is related to focus on having a better and more detailed mine plan, with higher grades, higher recoveries, and lower waste. Reduction on Brazilian projects is related to the suspension on exploration activities in São Francisco and Rio Alegre while the Company discusses new alternatives and opportunities.

Care and maintenance expenses

For the three months ended March 31,		2020		2019
Rio Novo projects	$	166	$	291
Brazilian projects		163		485
Gold Road		107		-
	$	436	$	776

The care and maintenance expense for other Brazilian projects and Rio Novo projects mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets *(*See *Section 10 - Transactions with Related Parties).* The cost reduction in Brazilian projects is mainly related to cost reduction initiatives in Rio Alegre and São Francisco, and also related to a 17% devaluation of the Brazilian Real against the US Dollar in the period.

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General and administrative costs

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Salaries, wages and benefits	$	**1,247**	$	1,220
Professional and consulting fees		**1,047**		637
Legal, Filing, listing and transfer agent fees		**789**		42
Insurance		**279**		180
Directors' fees		**32**		39
Occupancy cost		**52**		47
Merger and acquisition		**28**		-
Travel expenses		**145**		186
Share-based payment expense		**125**		118
Depreciation and amortization		**3**		5
Lease depreciation expense		**25**		27
Other		**297**		137
	$	**4,069**	$	2,638

General and administrative costs include the following and comparing the first quarter of 2020 to 2019 primarily relate to the following items:

- In the first quarter of 2020, the Company incurred expenses related to its plans for an initial public offering in Brazil, which was temporarily suspended in March. These expenses are reflected mainly in professional and consulting fees and legal, filing, listing, and transfer agent fees and general and administrative expenses in the amount of $1,031.
- Insurance fees increased due to increase in the Company's revenues, assets, market value and due to market conditions.
- The other expense increase is primarily driven by provisions for legal contingencies in Brazil related mainly to labor provisions.

Finance Costs

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Accretion expense (note 15)	$	**549**	$	223
Lease interest expense (note 17(b))	$	**21**	$	120
Interest expense on debts (note 13)		**857**		689
Finance cost on post-employment benefit		**163**		-
Other interest and finance costs		**132**		15
	$	**1,722**	$	1,047

The increase in interest expense on debts is mostly related to the increase in the gross debt as the Company has withdrawn credit lines to fund the Ernesto Project in Brazil (see *Section 8 - Liquidity and Capital Resources*). For further information, refer to Note 13 of the Financial Statements.

The increase in accretion expense is related to changes in assumptions during 2019 for related to the new right-of-use assets. For further information, refer to Note 16 of the Financial Statements.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

Other (losses) income

For the three months ended March 31,		**2020**		2019
Net loss on call options and fixed price contracts - Gold	**$**	**(1,445)**	$	(37)
Net gain on call options - Copper		**1,827**		-
Net gain (loss) on foreign currency derivatives		**(3,165)**		475
Foreign exchange (loss) gain		**(3,654)**		(413)
Other items		**(132)**		135
	$	**(6,569)**	$	160

The net loss on call/put options and fixed price contracts were mainly driven by: (a) the fact that gold prices further increased in first quarter of 2020 and (b) strong devaluation of the Brazilian Real. In both cases, the Company incurred realized and unrealized losses with derivatives (zero cost collars and forwards). Aura has a strategy to hedge to protect short term cash flows.

The foreign exchange loss was driven mainly by the significant devaluation of the Brazilian Real against the US Dollar at the same period. Most losses were recognized because of the devaluation of the Brazilian assets when translated to US Dollars and are non-cash items.

The other items decrease for the three months ended March 31, 2020 compared to same period of 2019 was due to royalties expenses for Aranzazu.

7. SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim consolidated financial information for each of the eight most recently completed quarters. As previously mentioned, broader Pandemic impact has led to certain shipping delays on our operations in Brazil and Honduras, affecting results for first quarter of 2020. Sales results to be reflected on second quarter of 2020.

Fiscal quarter ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Net Revenue	**$ 48,626**	$ 69,653	$ 69,919	$ 50,375	$ 36,255	$ 34,165	$ 33,176	$ 45,338
Net current assets (liability)	**19,306**	22,820	9,528	(3,279)	6,179	18,374	32,866	32,718
Property, plant and equipment	**238,532**	212,496	214,361	215,059	214,441	205,197	142,244	134,768
Impairment recovery (1,2)	-	-	-		-	53,701	-	-
Gain on acquisition of Rio Novo Project	-	-	-		-	-	-	-
(Loss) Income for the period	**(17,664)**	29,725	3,799	(3,913)	(4,723)	45,179	837	(5,330)
(Loss) Income per share								
Basic	**$ (4.06)**	$ 6.83	$ 0.87	$ (0.90)	$ (1.08)	$ 10.42	$ 0.20	$ (1.20)
Diluted	**$ (4.06)**	$ 6.80	$ 0.87	$ (0.90)	$ (1.08)	$ 10.26	$ 0.20	$ (1.20)

*1 For the quarter ended December 31, 2018, impairment reversal recorded is related to restart of Aranzazu.

8. LIQUIDITY AND CAPITAL RESOURCES

Management of the Company believes that our ongoing operations and associated cash flows will provide sufficient liquidity to continue financing our planned growth in the near term and that we will have access to additional debt as we grow to support further expansion.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

The Company will, from time to time, repay balances outstanding on its revolving credit with operating cash flow and cash flow from other sources.

The changes in the Company's cash position during the first quarter of 2020 are detailed as follows:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Net cash generated by (used in) operating activities	$ 3,861	$ 5,781
Net cash generated by (used in) investing activities	(10,515)	(2,683)
Net cash generated by (used in) financing activities	(387)	5,893
	$ (7,041)	$ 8,991

The decrease in cash position of $7,041 during the three months ended March 31, 2020, was made up of:

- Positive cash flow from operating activities of $3,861
- Cash used in investing activities of $(10,515) made up of: purchases of property, plant and equipment mainly related to: i) in San Andres the construction of a new leaching area and mine development at Esperanza area; ii) in Aranzazu the continuous primary underground development to access new areas; iii) in Apoena the mine development of Ernesto project.
- Cash flow from financing activities of $(387) made up of a new loan of $ 8,000, minus repayment of short term loans ($3,450), interest paid on debts ($1,154), repayment of other liabilities ($416) principal payments of lease liabilities ($323) and $3,044 corresponding to dividends declared in December of 2019 and paid in January of 2020.

As of March 31, 2020, the Company has the following debt obligations:

Financial debt	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Banco Occidente	$ 1,500	$ 1,500	$ -	$ -	$ -
Banco Atlántida	5,658	1,330	3,482	846	-
Banco ABC Brasil S.A.	6,806	2,759	4,047	-	-
Banco Santander Brasil	4,557	4,557	-	-	-
Banco Votorantim	3,649	555	3,094	-	-
FIFOMI Credit Facility	2,963	164	1,430	1,369	-
IXM S.A.	13,333	10,000	3,333	-	-
Pandion	25,205	2,686	17,737	4,782	-
Itau	8,006	1,606	6,400	-	-
	$ 71,677	$ 25,157	$ 39,523	$ 6,997	$ -

For a detailed discussion of the above noted debts, please see *Note 13* in the Financial Statements. In the ordinary course of business, the Company has trade and other payables owing and for mine closure and restoration which are discussed in the Financial Statements.

Currently management is working to replace short term credit with longer term finance credit lines.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

9. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the quarter ended March 31, 2020 and as at the date of this MD&A, the Company has not entered into any contractual obligations that are outside of the ordinary course of business.

The Company has the following future liabilities and payables:

FINANCIAL INSTRUMENT

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	59,680	-	-	-	**59,680**
Derivative financial liabilities	1,196	-	-	-	**1,196**
Short-term & Long-term debt	25,157	39,523	6,997	-	**71,677**
Provision for mine closure and restoration	-	3,436	2,845	24,913	**31,194**
Other liabilities and Leases	1,700	564	-	-	**2,264**
	$ 87,733	**$ 43,523**	**$ 9,842**	**$ 24,913**	**$ 166,011**

10. RELATED PARTY TRANSACTIONS

Irajá Royalty Payments

As part of the EPP transaction with Yamana Gold Inc. ("Yamana"), Mineração Apoena S.A. ("Apoena") entered into a royalty agreement (the "EPP Royalty Agreement"), dated June 21, 2016, with Serra da Borda Mineração e Metalurgia S.A. ("SBMM"), Yamana's wholly-controlled subsidiary. Commencing on and from June 21, 2016, Apoena will pay to SBMM a royalty (the "Royalty") that is equal to 2.0% of Net Smelter Returns on all gold mined or beneficiated from Apoena (the "Subject Metals") sold or deemed to have been sold by or for Apoena. Effective as at such time as Apoena has paid the Royalty on up to 1,000,000 troy ounces of the Subject Metals, the Royalty shall without the requirement for any further act or formality, reduce to 1.0% of Net Smelter Returns on all Subject Metals sold or deemed to have been sold by or for Apoena.

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Irajá Mineração Ltda, a company beneficially owned or controlled by Paulo de Brito, third-party company, for the swap of the EPP Royalty with the RDM Royalty (as defined in the Royalty Swap Agreement) with no change to the terms of the royalty calculation. The Company has incurred expenses of the related royalties of $286 in first quarter of 2020 and has a liability outstanding of $90 at March 31, 2020.

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the quarter ended March 31, 2020 and 2019 are as follows:

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

For the three months ended March 31,		2020	2019
Salaries and short-term employee benefits	$	454	$440
Share-based payments		123	104
Termination benefits		-	246
	$	577	$790

11. PROPOSED TRANSACTION

Other than as disclosed in this MD&A, the Company has not entered into a binding agreement for an asset or business acquisition or disposition. Management is committed to further analyzing and where applicable, negotiating, one or more transactions to maximize the value of its assets and increasing shareholder value.

12. CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and judgements and to form assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities. Management's estimates and judgements are continually evaluated and are based on historical experience and other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates.

The Company has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company's consolidated statements of financial position reported in future periods.

a) Determination of ore reserves and reserves

The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards. The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI-43-101"). Mineral reserves and resources determined in this way are used in the calculation of depletion expense, assessment of impairment charges and the carrying values of assets, and for forecasting the timing of the payment of mine closure and restoration costs.

There are numerous uncertainties inherent in estimating mineral resources and reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in reserves and resources being restated.

b) Impairment of assets

In accordance with the Company's accounting policy, each asset or CGU is evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of FVLCD or VIU.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A

The determination of FVLCD and VIU requires management to make estimates and assumptions about expected production and sales volumes, metals prices, reserves, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of income (loss).

If, after the Company has previously recognized an impairment loss, circumstances indicate that the recoverable amount of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount, after depreciation or amortization, that would have been determined if no impairment loss had been recognized.

c) Valuation of work-in-process inventory

Leach pad inventory is comprised of ore that has been extracted from the mine and placed on the heap leach pad for further processing. Costs are added to leach pad inventory based on current mining costs and are removed from leach pad inventory as gold ounces are recovered in the plant, based on the average cost per recoverable ounce on the heap leach pad. The quantity of recoverable gold in process is an engineering estimate which is based on the expected grade and recovery of gold from the ore placed on the leach pad. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. However, the estimate of recoverable gold placed on the leach pad is reconciled to actual gold production and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from each heap leach pad will not be known until the leaching process is concluded.

Ore in stockpiles is comprised of ore extracted from the mine and available for further processing. Costs are added to ore in stockpiles at the current mining cost and are removed at the accumulated average cost per ton.

d) Provisions for mine closure and restoration

The amounts recorded for mine closure and restoration obligations are based on estimates prepared by third party environmental specialists, if available, in the jurisdictions in which the Company operates or by environmental specialists within the Company. These estimates are based on remediation activities that are required by environmental laws, the expected timing of cash flows, and the pre-tax risk-free interest rates on which the estimated cash flows have been discounted. These estimates also include an assumption on the rate at which the costs may inflate in future periods. Actual results could differ from these estimates. The estimates on which these fair values are calculated require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

e) Purchase price allocation

Business combinations require judgement and estimates to be made at the date of acquisition in relation to identifying the acquirer, determining assets and liability fair values. The estimate of reserves and resources is subject to assumptions relating to life of the mine and may change when new information becomes available.

Changes in reserves and resources as a result of factors such as production costs, recovery rates, grade or reserves or commodity prices could impact depreciation rates, asset carrying values and decommissioning provision. Changes in assumptions over long-term commodity prices, market demand and supply, and economic and regulatory climates could also impact the carrying value of assets.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

f) Income Taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which the Company operates. The process involves an estimate of the Company's current tax exposure and an assessment of temporary differences resulting from differing treatment of items, such as depletion and amortization, for tax and accounting purposes, and when they might reverse.

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income. To the extent that recovery is not considered likely, the related tax benefits are not recognized.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

13. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of March 31, 2020 consist of cash and cash equivalents, receivables, derivative liabilities, short-term loans, and trade and other payables, presented at fair value. The Company's financial instruments are denominated in USD.

Gold Price Risk is associated primarily with the volatility that will occur in the precious metals commodity market. Such risk can be managed by hedging a portion of the Company's oxide gold production through fixed price contracts and put/call option contracts. During the three months ended March 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 8,500 ounces with floor prices between $1,500 and $1,560 and ceiling prices between $1,632 and $1,680 per ounce of gold expiring between March 31, 2020 and August 31, 2020. As at March 31, 2020, there were 17,500 ounces with floor prices between $1,400 and $1,560 and ceiling prices between $1,515 and $1,680 per ounce of gold expiring between April 30, 2020 and August 31, 2020. As of March 31, 2020, the Company recorded a derivative liability on these outstanding options of $537.

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Copper Price Risk is associated primarily with the volatility that will occur in the base metals' commodity market. Such risk can be managed by hedging a portion of the Company's copper production through fixed price contracts and put/call option contracts. During the three months ended March 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 2,502.5 metric tons with floor prices between $5,071 and $5,732 and ceiling prices between $5,356 and $6,567 per ounce of gold expiring between March 31, 2020 and October 31, 2020. As at March 31, 2020, there were 3,205.56 metric tons with floor prices between $5,071 and $5,732 and ceiling prices between $5,356 and $6,609 per ounce of gold expiring between April 30, 2020 and October 31, 2020. As of March 31, 2020, the Company recorded a derivative asset on these outstanding options of $1,850.

Credit Risk is associated primarily with trade receivables and derivative contracts. As of March 31, 2020, the Company considers the credit risk with these financial contracts to be low.

Interest Rate Risk is generally associated with variable rate financial instruments and available market interest rates at the time financial instruments are acquired. The Company is exposed to interest rate risk on its cash, cash equivalents as it holds a portion of cash and cash equivalents and restricted cash in bank accounts that earn variable interest rates. Some of the borrowings in Mexico have a variable interest rate based on LIBOR plus 7.00% or TIEE plus 4.2%. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk.

Foreign Currency Risk is generally associated with transactions denominated in non-USD currencies. The Company is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Company has operations located in Honduras, Brazil, Mexico and the United States. The Company holds sufficient amounts of its currency to meet its estimated expenditure requirements for these currencies. At March 31 2020, the Company had cash and cash equivalents of $29,698, of which, $26,057 were in United States dollars, $42 in Canadian dollars, $2,635 in Brazilian reais, $896 in Honduran lempiras, $50 in Mexican pesos, and $18 in Colombian pesos. An increase or decrease of 10% in the United States dollar exchange rate to the currencies listed above could have increased or decreased the Company's income for the year by $364.

14. CORPORATE GOVERNANCE

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of six individuals, four of whom are not independent of the Company and two of whom are unrelated in that they are independent of management. Rodrigo Barbosa is currently not considered independent due to his role as President & CEO of the Company. Fabio Ribeiro is also considered not independent due to his work as Technology Consultant of the Company. Richmond Fenn is currently considered not independent due to his temporary role as Interim General Manager for Gold Road Mine. Mr. Brito is not considered independent because of his affiliation with Northwestern. The Audit Committee is currently comprised of two directors who are independent of management and one director who is not independent.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual consolidated financial statements prior to their submission to the Board for approval. The Audit Committee meets with management quarterly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating, and internal control matters. The Company also retains external auditors to audit its annual consolidated financial statements.

The Audit Committee has reviewed this MD&A, pursuant to its charter, and the Board has approved the disclosure contained herein. Additionally, any such copy of this MD&A shall be provided to anyone who may request it.

15. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for designing and maintaining adequate internal controls over financial reporting ("ICFR"), under the supervision of the CEO, CFO and Corporate Controller, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS. Management is also responsible for the design and effectiveness of disclosure controls and procedures ("DC&P"), under the supervision of the CEO, CFO and Corporate Controller, to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. As at March 31, 2020, the Company's CEO, CFO and Corporate Controller have certified that DC&P are effective and that during the quarter end March 31, 2020, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

16. NON-GAAP PERFORMANCE MEASURES

In this MD&A, the Company has included realized average gold price per ounce sold, gross; realized average gold price per ounce sold - net of local sales taxes, hedging and gold loan repayments; cash operating cost per ounce of gold equivalent ounce produced; cash operating costs per copper pound produced; all-in sustaining costs per ounce sold; EBITDA; Adjusted EBITDA; and Net Debt, which are non-GAAP performance measures. These non-GAAP measures do not have any standardized meaning within IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide investors with additional information which is useful in evaluating the Company's performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

A. Reconciliation from income for the quarter to EBITDA and Adjusted EBITDA:

As mentioned above, broader Pandemic impact has led to certain shipping delays on our operations in Brazil and Honduras, with 4,209 and 5,060 ounces of gold dore, respectively, ready to be shipped at end of the quarter, on wait for flight availability, impacting results for first quarter of 2020, such as Adjusted Ebitda. Results of sales to be reflected on second quarter of 2020.

	For the three months ended March 31, 2020	For the three months ended March 31, 2019	**For the twelve months ended March 31, 2020**	For the twelve months ended March 31, 2019
Income (loss) for the year	**$ (17,664)**	$ (4,723)	**$ 11,947**	$ 35,963
Income tax (expense) recovery	**10,720**	482	**695**	4,857
Finance costs	**1,722**	1,047	**8,477**	3,654
Other gains (losses)	**6,569**	(161)	**14,936**	(459)
Depreciation	**4,460**	5,724	**21,208**	17,410
EBITDA	**$ 5,807**	$ 2,369	**$ 57,263**	$ 61,425
Impairment reversal	-	-	-	(53,701)
Adjusted EBITDA	**$ 5,807**	$ 2,369	**$ 57,263**	$ 7,724

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B. Reconciliation from the consolidated financial statements to cash operating costs per gold equivalent ounce produced:

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Cost of goods sold	$	41,936	$	35,180
Depreciation		(4,432)		(5,692)
Cost of production		37,504		29,488
Change in inventory		5,260		(963)
Other adjustments		-		1,069
Total operating cost of production	$	42,764	$	29,594
Gold Equivalent Ounces produced		39,736		30,245
Cash operating costs per gold equivalent ounce produced	$	1,076	$	978

C. Reconciliation from the consolidated financial statements to cash operating costs per copper pound produced:

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Cost of goods sold	$	41,936	$	35,180
Cost of production related to gold operation		(23,880)		(23,765)
Depreciation related to copper		(1,956)		(1,527)
Cost of production		16,100		9,888
Change in inventory		1,553		(131)
Other adjustments		(8,301)		(2,894)
Total operating cost of copper pounds produced	$	9,352	$	6,863
Contained copper pounds produced		5,667,741		3,380,587
Cash cost per pound of copper produced	$	1.65	$	2.03

D. Reconciliation from the consolidated financial statements to realized average gold price per ounce sold, gross:

		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Gross gold revenue	$	33,301	$	26,595
Local gold sales taxes		(2,028)		(1,004)
Gold revenue, net of sales taxes		31,273		25,591
Ounces of gold sold		21,044		20,016
Realized average gold price per ounce sold, gross	$	1,582	$	1,329

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E. Net Debt:

		March 31, 2020		December 31, 2019
Short Term Loans	$	25,157	$	22,104
Long-Term Loans		46,520		20,850
Less: Cash and Cash Equivalents		(29,698)		(38,870)
Less: Restricted cash		(179)		(230)
Less: Short term investments		-		-
Net Debt		41,800		3,854

17. RISK FACTORS

The operations of the Company contain significant risk due to the nature of mining, exploration and development activities. For details of these risks, please refer to the risk factors set forth in the Company's AIF which could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

18. DISCLOSURE OF SHARE DATA

As at March 31, 2020, the Company had the following outstanding: 4,353,865 common shares, 230,150 stock options, and 12,653 deferred share units.

19. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference herein, contain certain "forward-looking information" and "forward-looking statements", as defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the economic viability of a project; strategic plans, including the Company's plans with respect to its properties; the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash operating costs per gold equivalent ounce produced; cash operating costs per copper pound produced; operating costs; strip ratios and mining rates; expected grades and ounces of metals and minerals; expected processing recoveries; expected time frames; prices of metals and minerals; mine life; gold hedge programs; the duration or extent of the restrictions and suspensions imposed by governmental authorities as a result of the Pandemic, and the effect that any such restrictions or suspensions may have on our operations and our financial and operational results; the ability of the Company to successfully maintain operations at its producing assets, or to restart these operations efficiently or economically, or at all; the impact of the Pandemic on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business; and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements may be identified by the use of words such as "expects",

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“anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this MD&A are based upon, without limitation, the following estimates and assumptions: the presence of and continuity of metals at the Company’s projects at modeled grades; gold and copper price volatility; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; metals and minerals sales prices; appropriate discount rates; tax rates and royalty rates applicable to the mining operations; cash operating costs per gold equivalent ounce produced; cash operating costs per copper pound produced; anticipated mining losses and dilution; metals recovery rates, reasonable contingency requirements; our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable; our expected ability to develop our projects including financing such projects; and receipt of regulatory approvals on acceptable terms.

Known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s ability to predict or control, including any changes to the conditions and limitations imposed by governmental authorities in response to the Pandemic and the duration of such conditions or limitations, could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to the Company’s most recent AIF for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, gold and copper or certain other commodity price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions, political stability and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

1. A cautionary note regarding non-GAAP measures is included in Section 18 of this MD&A