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360° MINING

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

Independent auditor's report

To the Shareholders of Aura Minerals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aura Minerals Inc. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive income (loss) for the years ended December 31, 2021 and 2020;
- the consolidated statements of cash flows for the years ended December 31, 2021 and 2020;
- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years ended December 31, 2021 and 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of property, plant and equipment (PP&E) *Refer to note 3 – Significant accounting estimates and judgments to the consolidated financial statements.* As at December 31, 2021, the net book value of PP&E amounted to $285.84 million. Management assesses at each reporting date whether there are indicators of impairment of the Company's PP&E. Management applies significant judgment in order to assess whether an impairment indicator has occurred. Internal and external factors evaluated for indicators of impairment include: (i) whether the carrying amount of net assets of the Company exceeded its market capitalization; (ii) changes in estimated quantities of mineral resources and the Company's ability to convert resources to reserves; (iii) a significant deterioration in expected future metal prices; (iv) changes in expected future production costs and capital expenditures; and (v) changes in interest rates. If any such indicator exists, a formal estimate of recoverable amount is performed. We considered this a key audit matter due to (i) the significance of PP&E in the consolidated financial statements and (ii) the level of subjectivity required in applying audit procedures to assess the internal and external factors	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: – Assessed the completeness of external or internal factors that could be considered as indicators of impairment on the Company's PP&E, including considerations of evidence obtained in other areas of the audit. – Assessed the reasonableness of factors such as: ○ changes in estimated quantities of mineral resources and the Company's ability to convert resources to reserves and changes in expected future production costs and capital expenditures by comparing them to current and past performance of the Company and evidence obtained in other areas of the audit; and ○ significant deterioration in expected future metal prices and changes in interest rates by considering external market data. – Recalculated the Company's market capitalization and compared it to the

Key audit matter	How our audit addressed the key audit matter
considered by management in its assessment of impairment indicators, which required significant management judgment.	carrying amount of the net assets as at December 31, 2021.
Impairment assessment of property, plant and equipment (PP&E) for the Gold Road cash generating unit (CGU) *Refer to note 3 – Summary of significant accounting policies, note 4 – Significant accounting estimates and judgments, note 5 – Impairment of Gold Road mine, note 10 – Property, plant and equipment and note 30 – Segmented information to the consolidated financial statements.* The Company had $38 million of PP&E as at December 31, 2021 relating to the Gold Road CGU prior to the impairment. When indicators of impairment exist, an impairment assessment is performed at the CGU level, which is the lowest level of identifiable groups of assets that generate inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognized to the extent that the carrying amount of the CGU exceeds the recoverable amount. As disclosed by management, as a result of uncertainties about the potential for the Gold Road CGU to increase production in the medium term, higher production costs and negative results, management performed an impairment assessment of the Gold Road CGU as at December 31, 2021. An impairment loss of $21 million was recognized for the year then ended, reducing the net book value of Gold Road's PP&E to $17 million as at December 31, 2021. The recoverable amount of the Gold Road CGU was estimated by management as the fair value less costs of disposal (FVLCD) using discounted estimates of future cash flows derived from the	Our approach to addressing the matter included the following procedures, among others: ● With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent point estimate of the recoverable amount of the Gold Road CGU using a market approach based on mineral resources estimated by management's experts. – Independently developed the assumption related to market multiples expressed as dollar per ounce of mineral resources for comparable entities with similar economic characteristics. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of management's estimates associated with the quantities of mineral resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. ● Compared the independent point estimate to management's estimate to evaluate the reasonableness of management's estimate.

Key audit matter	How our audit addressed the key audit matter
most recent life of mine plan as well as weighted probabilities of different scenarios. Management used key assumptions in estimating the FVLCD of the Gold Road CGU, including future metal prices, future production costs, capital expenditures, discount rate, quantities of mineral resources and the Company's ability to convert resources to reserves, and the weighted probabilities of different scenarios. Estimated quantities of mineral resources are based on information compiled by management's internal experts (management's experts). We considered this a key audit matter due to the significant judgment by management, including the use of management's experts, in estimating the recoverable amount of the Gold Road CGU. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mariano Ortego.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 24, 2022

Management's Responsibility for Financial Reporting and Report on Internal Control Over Financial Reporting

The accompanying consolidated financial statements have been prepared by and are the responsibility of the Board of Directors and management of the Company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal controls in order to ensure, on a reasonable and cost-effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and accounted for, that transactions are authorized, and to facilitate the preparation of relevant, reliable, and timely financial information. Where appropriate, management uses its best judgement, based on currently available information, to make estimates required to ensure fair and consistent presentation of this information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee. The Audit Committee consists of three directors all of whom are independent. The functions of the Audit Committee are to review the quarterly and annual consolidated financial statements and submit them to the Board of Directors for approval; review the adequacy of the system of internal controls; review any relevant accounting, financial and security regulatory matters; recommend the appointment of external auditors; and approve the scope of the external auditors' audit and non-audit work.

"Rodrigo Barbosa"
President, Chief Executive Officer

"Kleber Cardoso"
Chief Financial Officer

Tortola, British Virgin Island
February 24, 2022

Aura Minerals Inc.

Consolidated Statements of Income

For the years ended December 31, 2021 and 2020

Expressed in thousands of United States dollars, except share and per share amounts

	Note		2021		2020
Net Revenue	18	**$**	**444,559**	$	299,874
Cost of goods sold	19		**261,546**		177,992
Gross Margin			**183,013**		121,882
General and Administrative	20		**22,756**		18,436
Care-and-maintenance expenses	21		**3,140**		1,594
Exploration expenses	22		**9,786**		5,390
Impairment	10		**21,201**		—
ARO Change in estimate for properties in care and maintenance	14		**3,078**		(857)
Operating income			**123,052**		97,319
Finance costs	23		**(16,386)**		(10,137)
Other income / (losses)	24		**(7,927)**		(11,698)
Income before income taxes			**98,739**		75,484
Current income tax expense	13		**(32,440)**		(23,455)
Deferred income tax expense	13		**(22,796)**		16,448
Income for the year		**$**	**43,503**	$	68,477
Income per share:					
Basic	32	**$**	**0.60**	$	1.01
Diluted	32	**$**	**0.60**	$	0.99
Weighted average numbers of common shares outstanding					
Basic	32		**72,244,618**		67,912,271
Diluted	32		**72,464,375**		69,148,606

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2021 and 2020

Expressed in thousands of United States dollars

	2021	**2020**
Income for the year	**43,503**	68,477
Other Comprehensive Loss		
Items that may be reclassified to profit or loss		
Change in the fair value of cash flow hedge, net of tax	**3,853**	—
Gain / (loss) on foreign exchange translation of subsidiaries	**(2,200)**	(23)
Items that will not be reclassified to profit or loss		
Actuarial loss on post-employment benefit, net of tax	**(2,189)**	(584)
Other comprehensive loss, net of tax	**(536)**	(607)
Total comprehensive income	**42,967**	67,870

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

Expressed in thousands of United States dollars

	Note		2021		2020
Cash flows from operating activities					
Income for the period			**43,503**		68,477
Items not affecting cash	25(a)		**150,302**		38,311
Changes in working capital	25(b)		**(34,145)**		(3,082)
Taxes paid			**(25,235)**		(9,297)
Other assets and liabilities	25(c)		**(3,234)**		(4,050)
Net cash generated by operating activities			**131,191**		90,359
Cash flows from investing activities					
Purchase of property, plant and equipment, and other investments	10		**(79,467)**		(51,973)
Proceeds on sale of plant and equipment			**1,303**		912
Net cash used in investing activities			**(78,164)**		(51,061)
Cash flows from financing activities					
Proceeds received from debts, net of debt issuance costs	25(e)		**116,509**		14,180
Payments of dividends	28		**(85,632)**		(3,044)
Net proceeds from Brazil IPO in B3			**—**		52,199
Proceeds and (payments) from exercise of stock options			**1,566**		(107)
Repayment of short term loans	25(e)		**(33,280)**		(14,910)
Repayment of other liabilities	16(a)		**(625)**		(1,199)
Principal payments of lease liabilities	16(b)		**(3,577)**		(2,638)
Interest paid on debts	25(e)		**(3,590)**		(3,176)
Net cash (used) generated by financing activities			**(8,629)**		41,305
Increase in cash and cash equivalents			**44,398**		80,603
Effect of foreign exchange loss on cash equivalents			**(686)**		(1,695)
Cash and cash equivalents, beginning of the period		**$**	**117,778**	$	38,870
Cash and cash equivalents, end of the period		**$**	**161,490**	$	117,778

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Financial Position

As of December 31, 2021 and 2020

Expressed in thousands of United States dollars

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current			
Cash and cash equivalents		**161,490**	117,778
Restricted cash		**944**	341
Value added taxes and other receivables	6	**42,404**	35,763
Inventory	7	**56,554**	46,540
Other current assets	8	**11,060**	16,931
		272,452	217,353
Other long-term assets	9	**13,337**	10,203
Property, plant and equipment	10	**285,835**	271,159
Deferred income tax assets	13	**20,856**	37,475
		592,480	536,190
LIABILITIES			
Current			
Trade and other payables	11	**68,545**	72,892
Derivative financial instrument	26	**—**	156
Current portion of debts	12	**58,169**	28,485
Current income tax liabilities		**17,733**	16,619
Current portion of other liabilities	16	**2,151**	2,558
		146,599	120,710
Debts	12	**99,862**	41,941
Derivative Financial Instruments	26	**2,779**	—
Deferred income tax liabilities	13	**17,110**	10,832
Provision for mine closure and restoration	14	**41,456**	39,445
Other provisions	15	**11,923**	9,538
Other liabilities	16	**477**	1,010
		320,205	223,476
SHAREHOLDERS' EQUITY	17		
Share capital		**621,115**	618,063
Contributed surplus		**55,044**	55,870
Accumulated other comprehensive income		**383**	4,772
Hedge Reserves		**3,853**	—
Deficit		**(408,120)**	(365,991)
		272,275	312,714
		592,480	536,190

Approved on behalf of the Board of Directors:

"Stephen Keith" — **Stephen Keith, Director**

"Rodrigo Barbosa" — **Rodrigo Barbosa, President & CEO**

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

Expressed in thousands of United States dollars, except share amounts

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Hedge Reserves	Deficit	Total Equity
At December 31, 2020	70,742,460	618,063	55,870	4,772	—	(365,991)	312,714
Exercise of options	1,885,069	3,052	(1,486)	—	—	—	1,566
Stock options issued	—	—	660	—	—	—	660
Income for the period	—	—	—	—	—	43,503	43,503
Dividends declared and paid	—	—	—	—	—	(85,632)	(85,632)
Change in fair value of cash flow hedge, net of tax	—	—	—	—	3,853	—	3,853
Gain on translation of subsidiaries	—	—	—	(2,200)	—	—	(2,200)
Actuarial loss on long-term employee benefit, net of tax	—	—	—	(2,189)	—	—	(2,189)
At December 31, 2021	72,627,529	621,115	55,044	383	3,853	(408,120)	272,275

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Equity
At December 31, 2019	65,301,120	569,285	55,424	5,379	(434,468)	195,620
Exercise of options	17,910	41	(148)	—	—	(107)
Stock options issued	—	—	594	—	—	594
Issuance of Shares per IPO in Brazil	5,423,430	48,737	—	—	—	48,737
Income for the period	—	—	—	—	68,477	68,477
Gain on translation of subsidiaries	—	—	—	(23)	—	(23)
Actuarial loss on long-term employee benefit, net of tax	—	—	—	(584)	—	(584)
At December 31, 2020	70,742,460	618,063	55,870	4,772	(365,991)	312,714

The accompanying notes form an integral part of these consolidated financial statements.

1 NATURE OF OPERATIONS

Aura Minerals Inc. (“Aura Minerals”, “Aura”, or the “Company”) is a mid-tier gold and copper production company focused on the operation and development of gold and base metal projects in the Americas.

Aura Minerals is a public company listed on the Toronto Stock Exchange (Symbol: ORA) and on the São Paulo Stock Exchange – B3 (Symbol: AURA33). Aura is incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands). Aura’s registered office is located at Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands. Aura maintains a head office at 78 SW 7th Street, Suite # 7144, Miami, Florida 33130, United States of America.

Aura’s majority shareholder is Northwestern Enterprises Ltd (“Northwestern”), a company beneficially owned by the Chairman of the board of directors of Aura (the “Board”).

These consolidated financial statements (the “financial statements”) were approved by the Board of Directors on February 24, 2022.

2 BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board (collectively, “IFRS”). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB)

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost except for those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period as explained in Note 3 - Summary of Significant Accounting Policies. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional currency of Aura and majority of its subsidiaries is the United States Dollar ("US Dollar") except for certain not material services companies in Mexico which have a functional currency of Mexican Pesos (“MXN Pesos”) and certain not material Brazilian subsidiaries in Brazilian Reais (“BRL Reais”). All values in the financial statements are rounded to the nearest thousand.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all periods presented unless otherwise stated.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries over which it has control. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. The Company consolidates subsidiaries where we have the ability to exercise control.

Control of a subsidiary is defined to exist when the Company is exposed to variable returns from the involvement with the subsidiary and has the ability to affect those returns through the power over the subsidiary. Specifically, the Company controls a subsidiary if, and only if, all of the following is present: 1) power over the subsidiary (i.e., existing rights that give the Company the current ability to direct the relevant activities of the subsidiary); 2) exposure, or rights, to variable returns from the involvement with the subsidiary; 3) and the ability to use the power over the subsidiary to affect its returns. For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests”. Additionally, any profit or loss for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary.

The Company’s principal subsidiaries with the corresponding mining operations and projects are:

a. Minerales de Occidente, S.A. (Honduras) (“Minosa”)
    i. the San Andres open-pit gold mine in Honduras (the “San Andres Mine”)
b. Mineracao Apoena Limitada (Brazil) (“Apoena” or “EPP”)
    i. The Ernesto open-pit mine (the “Ernesto mine”)
    ii. Pau-a-Pique underground mine (the “Pau-a-Pique mine”)
    iii. The Sao Francisco open-pit gold mine in Brazil (the “Sao Francisco Mine”)
    iv. The Japonês open-pit gold mine in Brazil (the “Japonês Mine”)
    v. The Lavrinha open-pit gold mine in Brazil (the “Lavrinha Mine”)
c. Aranzazu Holding S.A. de C.V. (Mexico) (“Aranzazu”)
    i. The Aranzazu underground mine in Mexico (the “Aranzazu Mine”), which produces a copper-gold-silver concentrate
d. Gold Road (Arizona, USA)
    i. The Gold Road mine (“Gold Road”) located in the historical Oatman mining district of northeastern Arizona, by the California-Nevada-Arizona border. Gold Road declared commercial production in December 2020. On November 3rd, 2021, the Company announced the decision to stop investing in Gold Road and placed the mine in care and maintenance.
e. Project Brazil and Colombia
    i. The Almas Gold Project (“Almas”). Gold project located in the state of Tocantins, Brazil
    ii. *The Matupa Gold* Project (“Matupa”). Gold project located in the state of Mato Grosso, Brazil
    iii. *The Tolda Fria Gold Project (“Tolda Fria”)*. Located in Caldas State, Colombia

Although the Company only has 49% of the voting rights in Apoena, the Company has determined that it has the full beneficial ownership over the entity as the Company is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power to control the activities of the entity. Accordingly, Apoena is fully consolidated in these consolidated financial statements.

Business Combination

The Company uses the acquisition method of accounting to account for all business combinations. The fair value of the acquisition of a subsidiary is based on the fair value of the assets acquired, the liabilities assumed, and the fair value of the consideration paid. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. The excess, if any, of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, where the total consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of income.

Foreign currency translation

Functional and presentation currency

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in United States dollars, which is also the functional currency of the subsidiaries with mine operations and corporate.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income.

Translation of subsidiary results into the presentation currency

The results and financial position of all the Company's subsidiaries with functional currencies different from the presentation currency (none of which has the currency of a hyperinflationary economy), mainly service subsidiaries and other non-operating entities, are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of income are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, such exchange differences are recognized in the statement of income (loss) as part of the gain or loss on sale of investments.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and highly liquid short-term interest-bearing securities with maturities at the date of purchase of three months or less.

Inventory

Finished product inventory and work-in-process inventory, which includes leach pad and ore stockpile inventory, are valued at the lower of average cost and net realizable value. Finished product inventory consists of finished gold products and metals in concentrate. Work-in-process inventory represents inventory in-circuit at the Company's process plants and leach pads. Stockpile inventory represents ore stacked on leach pads and in stockpiles. The cost of work-in-process and finished product inventories includes mining costs, direct labor, operating materials and supplies, applicable haulage and transportation charges, and an applicable portion of operating overhead, including amortization and depletion. Net realizable value is the expected selling price for the finished product less the estimated costs to get the product into salable form and to the selling location.

Parts and supplies inventory consist of consumables and is valued at weighted average cost after provision for slow moving and obsolete items.

For inventory which has been written down to net realizable value, if subsequent assessments conclude that the circumstances causing the write down no longer exist or when there is clear evidence of an increase in net realizable value due to a change in economic circumstances, the write down is reversed appropriately.

Mining interests

Mining interests represent capitalized expenditures related to the development of mining properties, expenditures arising from property acquisitions and related plant and equipment. Upon disposal or abandonment, the carrying amounts of mining interests are derecognized and any associated gains or losses are recognized in net income.

Exploration and Evaluation

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless management determines that probable future economic benefits will be generated as a result of the expenditures. Once the technical feasibility and commercial viability of a project has been demonstrated with a prefeasibility study, we account for future expenditures incurred in the development of that project in accordance with our policy for Mineral Properties.

Commercial Production stage

A mine that is under construction is determined to enter the commercial production stage when the project is in the location and condition necessary for it to be capable of operating in the manner intended by management. We use the following factors to assess whether these criteria have been met: (1) the level of capital expenditures compared to construction cost estimates; (2) the completion of a reasonable period of testing of mine plant and equipment; (3) the ability to produce minerals in saleable form (within specifications); and (4) the ability to sustain ongoing production of minerals.

When a mine construction project moves into the commercial production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit, underground mine development or expenditures that meet the criteria for capitalization in accordance with IAS 16 Property, Plant and Equipment.

Mineral properties

Mineral properties generally consist of the following: the fair value attributable to mineral reserves and resources acquired in a business combination or asset acquisition; capitalized exploration and evaluation costs; underground mine development costs; open pit mine development costs; and capitalized interest.

Mineral properties acquired through business combinations are recognized at fair value on the acquisition date. The fair value is an estimate of the proven and probable mineral reserves, mineral resources, and exploration potential attributable to the property. The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is depreciated on a units of production ("UOP") basis whereby the denominator is the proven and probable reserves and the portion of mineral resources considered to be probable of economic extraction. The estimated fair value attributable to mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to depreciation until the resources become probable of economic extraction in the future.

At the Company's underground mining operations, development costs are incurred to build new shafts, drifts, and ramps that will enable the Company to physically access ore underground. The time over which we will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred. Capitalized underground development costs are depreciated on a UOP basis, whereby the denominator is the estimated ounces/pounds of gold/copper in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current life of mine ("LOM") plan that benefit from the development and are considered probable of economic extraction.

At the Company's open pit mining operations, it is necessary to remove overburden and other waste materials to access ore bodies from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as "stripping". Stripping costs which are incurred to provide initial access to the ore body (referred to as pre-production stripping) are capitalized as open pit mine development costs. Stripping costs incurred during the production stage of a pit are accounted for as costs of the inventory produced during the relevant period. Such costs are capitalized to the extent that these costs relate to anticipated future benefits and represent a betterment. Waste removal which relates to current production activities and does not give rise to a future benefit is accounted for as a production cost in the period in which it is incurred and is included in the cost of inventory.

Capitalized open pit mine development costs are depreciated on a UOP basis whereby the denominator is the estimated ounces/pounds of gold/copper in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current LOM plan that benefit from the development and are considered probable of economic extraction.

Property, plant and equipment

Plant and equipment are originally recorded at cost at the time of construction, purchase, or acquisition, and are subsequently measured at cost less accumulated amortization and impairment. Cost includes all costs required to bring the item into its intended use by the Company.

Costs incurred for major overhauls of existing equipment are capitalized as plant and equipment and are subject to amortization once they are commissioned. The costs of routine maintenance and repairs are expensed as incurred.

Assets under construction are capitalized until the asset is available for use. The cost of the asset under construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Assets under construction amounts are presented as a separate asset within Property Plant and Equipment. Assets under construction are not depreciated and the depreciation commences once the asset is complete and available for use.

Amortization and depletion

Plant and equipment is amortized using the straight line or units of production methods over the life of the mine, or over the remaining useful life of the asset, if shorter. Land is not amortized. The following amortization rates are used by the Company:

Major class of assets	Depreciation Method	Depreciation Rate
Vehicles	Straight-Line	3-5 years
Machinery and Equipment	Straight-Line/UOP	2-10 years
Mobile mining equipment	Straight-Line/UOP	4-8 years
Furniture and Fixtures	Straight-Line	4-10 years
Computer Equipment and Software	Straight-Line	2-5 years
Leasehold Improvements	Straight-Line	Lease term
Building	Straight-Line/UOP	4-10 years
Plant	Straight-Line/UOP	4-10 years

Residual values and useful lives are reviewed on an annual basis and adjusted, if necessary, on a prospective basis.

Once a mining operation has achieved commercial production, capitalized mineral property expenditures are UOP whereby the denominator is the proven and probable mineral reserves and a portion of measured and indicated mineral resources that are reasonably expected to be converted into proven and probable mineral reserves.

Impairment and reversal of impairment of long-lived assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less costs of disposal ("FVLCD") and value in use ("VIU").

FVLCD is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length basis. FVLCD for mineral properties is generally determined as the present value of estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, and discounted by an appropriate post-tax discount rate to arrive at a net present value. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. VIU is determined by applying assumptions specific to the Company's continued use and does not take into account future development discounted by an appropriate pre-tax discount rate. As such, these assumptions differ from those used in calculating FVLCD.

The Company's cash generating units ("CGUs") are the lowest level of identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the CGU's recoverable amount since the last impairment loss was recognized. This reversal is recognized in the consolidated statements of income and is limited to the carrying value that would have been determined, net of any depreciation where applicable, had no impairment charge been recognized in prior years. When an impairment reversal is undertaken, the recoverable amount is assessed by reference to the higher of VIU and FVLCD. We have determined that the FVLCD is greater than the VIU amounts and therefore used as recoverable amount for impairment testing purposes.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognized as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include:

- trade receivables, and
- other receivables.

Trade and other receivables are amounts due from customers and others in the normal course of business. If collection is expected in one year or less, they are classified as current assets; if not, they are presented as noncurrent assets and discounted, accordingly. Additionally, trade and other receivables are valued, per IFRS 9, at amortized cost.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Company notes that such receivables arise when ore that has been produced has been shipped to the buyer in accordance to the applicable agreement. The Company does not recognize any receivables related to ore that is estimated or has not yet been produced.

Financial assets at fair value through profit or loss include financial assets held for trading (e.g., derivative instruments), financial assets designated upon initial recognition at fair value through profit or loss (e.g., debt or equity instruments), or financial assets mandatory required to be measured at fair value (i.e., where they fail the SPPI test). The Company does not have financial assets classified as held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Rather, the Company's financial assets at fair value through profit or loss include:

- Derivatives, and
- other long-term assets

The SPPI test for financial assets is applicable to the Company's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quoted price stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognized in "fair value gains/losses on provisionally priced trade receivables" in the consolidated statement of income (loss) and other comprehensive income.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss.

The Company does not have any financial assets at fair value through OCI (debt instruments) or any financial assets designated at fair value through OCI (equity instruments).

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For impairment of the financial assets, the Company, in the case for trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating expected credit losses (ECLs), as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset’s lifetime ECL at each reporting date. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment including forward-looking information.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include:

- trade and other payables
- borrowings
- Derivative financial instruments and,
- Other liabilities

Trade payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Derivative financial instruments and hedging activities

Derivatives are recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument in cases where hedge accounting is adopted. If this is the case, the method depends on the nature of the item/object that is being hedged. The Company adopts hedge accounting and designates certain derivatives as:

- hedging the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- hedge of a specific risk associated with a recognized asset or liability or a highly probable forecasted transaction (cash flow hedge); or
- hedge of a net investment in a foreign operation (net investment hedge).

In the present financial statements, the Company has adopted hedge accounting for cash flow hedge, with the other types of hedge accounting not existing.

The fair values of the various derivative instruments used for hedging purposes are disclosed in Note 26(a). The changes in the hedging amounts classified in the "Other comprehensive income" account in equity are shown in Note 17(d).

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity within "Other comprehensive income". The gain or loss relating to the ineffective portion is recognized immediately in the Statements of Income (Loss) as "Other losses".

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss as follows:

- Gains or losses related to the effective portion of interest rate swaps hedging variable rate borrowings are recognized in the income statement as interest expense at the same time as interest expense on the hedged borrowings.

(b) Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Therefore, the Company performs a qualitative effectiveness assessment. If there are changes in circumstances that affect the terms of the hedged item such that the essential terms no longer exactly match the essential terms of the hedging instrument, the Company will use the hypothetical derivative method to assess effectiveness.

The Company enters into interest rate swaps with critical terms that are similar to the hedged item, such as reference rate, reset dates, payment dates, maturities and reference value.

The ineffectiveness of the interest rate swap hedge may occur due to:

- the credit value/debit value adjustment on interest rate swaps that is not matched by the loan; and
- differences in the essential terms between the interest rate swaps and the loans.

Provisions

Provisions are recognized when the Company or its subsidiaries has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are recognized in the consolidated financial statements, if estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote.

Contingent assets are not recognized in the consolidated financial statements, unless the inflow of the economic benefit are virtually certain, but are disclosed in the notes if their recovery is probable.

Mine closure and restoration

Provisions for mine closure and restoration are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include such costs as dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate and the accretion is included in finance costs. At the time of establishing the provision, the net present value of the obligation is capitalized as part of the cost of mineral properties. The provision is reviewed on an annual basis for changes in cost estimates, discount rates, inflation and operating lives. The net present value of changes in cost estimates of the mine closure and restoration obligations are capitalized to mineral properties.

Restoration activities will occur primarily upon closure of a mine, but can occur from time to time throughout the life of the mine. As restoration projects are undertaken, their costs are charged against the provision as the costs are incurred.

Leasing arrangements

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Long-term employee benefits

Certain long-term employee benefits are specifically payable when employment is terminated. The expected costs of these benefits are accrued in the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of common from treasury shares are recognized in equity, net of tax, as a deduction from the share proceeds.

Share-based payments

The fair value of the employee services received in exchange for the grant of stock options or other share-based payments plans is recognized as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by calculating the fair value of the options or other share-based payment plans at the date of grant. The Company uses the Black-Scholes option pricing model to calculate the fair value of options granted.

The total amount to be expensed is determined with reference to the fair value of the options granted:

- Including any market performance conditions; and
- Excluding the impact of any service and non-market performance vesting conditions, such as profitability, sales growth targets, and remaining an employee of the entity over a specific time period.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. This estimate is revised at each statement of financial position date and the difference is charged or credited to the consolidated statements of income (loss) with the corresponding adjustment to equity.

When the options are duly exercised, the Company issues common shares from treasury. The fair value and any proceeds received, net of any directly attributable transaction costs, are credited to equity.

Taxation

Tax expense comprises both current and deferred tax expense for the period. Tax expense is recognized in the consolidated statements of income (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity.

Current income tax expense is the tax expected to be payable on the taxable income for the year calculated using rates (and laws) that have been enacted or substantively enacted at the consolidated statements of financial position date in the countries where the Company operates. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Income tax expense includes the cost of special mining taxes payable to governments that are calculated based on a percentage of adjusted taxable profit whereby taxable profit represents net income adjusted for certain items defined in the applicable legislation.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statements of financial position date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that they will be realized in the future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to become ready for its intended use) are capitalized as part of the cost of the asset. Capitalization of borrowing costs begins when costs are incurred, and activities are undertaken to prepare the asset for its intended use and ceases when the asset is substantially complete or commissioned for use. Once the identified asset is substantially complete, the attributable borrowing costs are amortized over the useful life of the related asset. All other borrowing costs are expensed in the period they occur.

Revenue recognition

The Company applies the following five-step approach in recognizing revenue from contracts with customers:

- Identify the enforceable contract with the customer
- Identify the separate performance obligations in the contract from transferring the distinct good or service
- Determine the transaction price for consideration of transferring the good or service
- Allocate the transaction price to the separate performance obligations identified
- Recognize revenue when each separate performance obligation is satisfied

The Company's gold sales are recognized at the date that title passes to the buyer, which is generally when gold is settled from the refinery. However, title could pass at any stage during the refining process for certain of the Company's gold sales. Gold revenues are shown net of local taxes calculated on gross revenues. The Company's copper concentrate sales are recognized at the time of delivery based on forward prices for the expected date of final settlement. The final sale prices are determined by quoted market prices in a period subsequent to the date of sale.

Royalties

Certain of our properties are subject to royalty arrangements based on mineral production at the properties. The primary type of royalty is a net smelter return (NSR) royalty. Under this type of royalty we pay the holder an amount calculated as the royalty percentage multiplied by the value of gold production at market gold prices (otherwise known as Gross Proceeds) less third-party smelting, refining, brokerage and transportation costs. Royalty expense is recorded on completion of the production or sales process in cost of sales.

Income per share

Basic income per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. In computing diluted income per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and include items that are not included in net profits such as foreign currency exchange gains or losses related to foreign subsidiaries whose functional currency is different from the functional currency of the Company and actuarial gains and losses of postemployment benefits.

The Company's comprehensive income (loss) is presented in the consolidated statements of comprehensive income (loss) and the consolidated statements of changes in equity.

Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (iii) for which discrete financial information is available. The Company's operating segments are identified as: The San Andres Mine, , the EPP Mines, the Aranzazu Mine, the Almas, Matupá and Tolda Fría Projects, the Gold Road Project and Corporate.

The Company has not applied any new accounting standards or implemented a new accounting policy for the first time commencing on January 1, 2021.

New Accounting Standards Issued But Not Yet Effective

Amendments to IAS 16 regarding the proceeds before intended use

On June 2017, the International Accounting Standards Board (IASB) developed an exposure draft regarding the deducting of proceeds received from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management from the cost of an item of property, plant and equipment. Rather, the Company would recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss. The finalization of the amendment occurred on May 14, 2020. The amendment is effective for annual periods beginning on or after January 1st, 2022, with early application being permitted. Such amendments are retrospective only to items of property, plant and equipment on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The Company is in the process of assessing the impact of the adoption of these amendments on the consolidated financial statements.

Amendments to IAS 8 regarding the definition of accounting estimates and accounting policies

In February 2021, the International Accounting Standards Board (IASB) issued the 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty” and such changes are accounted for prospectively while changes in accounting policies are accounted for retrospectively. The amendments are effective for annual periods beginning on or after January 1st, 2023. The Company is in the process of assessing the impact of the adoption of these amendments on the consolidated financial statements.

Amendments to IAS 12 regarding deferred tax

On 7 May 2021, the International Accounting Standards Board (IASB) issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. The amendments are effective for annual periods beginning on or after January 1st, 2023. The Company is in the process of assessing the impact of the adoption of these amendments on the consolidated financial statements.

Amendments to IAS 1 regarding classification of Liabilities as Current or Non-Current

In January 2020, the Board issued Classification of Liabilities as Current or Non-current, which amended IAS 1 Presentation of Financial Statements. The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date The amendment must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and is effective for annual reporting periods beginning on or after January 1st, 2023 with earlier application permitted. The Company is in the process of assessing the impact of the adoption of these amendments on the consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement regarding presentation of material accounting policies

The International Accounting Standards Board (IASB) has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. This amendment requires entities to disclose their material accounting policies - determined in a four step materiality process - rather than their significant accounting policies. The amendments define what is 'material accounting policy information. To support this amendment, the IASB also amended IFRS Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 1 are effective for annual periods beginning on or after January 1st, 2023 followed by application of the amendments to IFRS Practice Statement 2. The Company is in the process of assessing the impact of the adoption of these amendments on the consolidated financial statements.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 policy under which significant judgments, estimates and assumptions are made and where actual results could differ from these estimates under different assumptions and conditions and could materially affect the Company's financial results or statements of financial position reported in future periods.

Determination of Life of Mine (LOM) Plans and ore reserves and resources

Estimates of the quantities of ore reserves and resources form the basis for our LOM plans, which are used for a number of important business and accounting purposes, including: the calculation of depletion expense; the capitalization of production phase stripping costs, for forecasting the timing of the payment of mine closure and restoration costs and for the assessment of impairment charges and the carrying values of assets. In certain cases, these LOM plans have made assumptions about our ability to obtain the necessary permits required to complete the planned activities.

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”).

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.

Impairment of assets

In accordance with the Company’s accounting policy, at each reporting date management assesses whether there are any indicators of impairment of the Company's PP&E. Internal and external factors evaluated for indicators of impairment include: (i) whether the carrying amount of net assets of the Company exceeded its market capitalization; (ii) changes in estimated quantities of mineral reserves and resources and the Company’s ability to convert resources to reserves, (iii) a significant deterioration in expected future metal prices; (iv) changes in expected future production costs and capital expenditures; and (v) changes in interest rates.

If any such indicator 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.

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.

Valuation of work-in-process inventory

The measurement of inventory including the determination of its net realizable value, especially as it relates to ore in stockpiles, involves the use of estimates. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Estimation is also required in determining the tonnage, recoverable gold and copper contained therein, and in determining the remaining costs of completion to bring inventory into its saleable form. Judgment also exists in determining whether to recognize a provision for obsolescence on mine operating supplies, and estimates are required to determine salvage or scrap value of supplies.

Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type).

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.

Recoverability of deferred tax assets

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.

Judgment is required to continually assess changes in tax interpretations, regulations and legislation, and make estimates about future taxable profits, to ensure deferred tax assets are recoverable.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company uses its judgment in selecting various methods and making assumptions that are based primarily on market conditions existing at the balance sheet date. The Company has used mark-to-market analysis to calculate the fair value of various financial assets at fair value through other comprehensive income, which are not traded in active markets.

5 IMPAIRMENT OF GOLD ROAD MINE

During 2021, as a result of significant uncertainties about the potential for Gold Road to increase production in the medium term in line with the Company's targets, higher production costs and negative results, the Company's board of directors decided to put the mine in care and maintenance and not continue to invest in Gold Road and prioritize capital allocation and management efforts to the Company's larger operations and projects. We calculated the recoverable amount of Gold Road during the year ended December 31, 2021 and determined the recoverable amount for Gold Road to be lower than the carrying value of the cash generating unit. An impairment of $21.2 million was recognized during the year ended December 31, 2021, reducing the carrying amount of Gold Road's property plant and equipment to $17.4 million.

Gold Road's recoverable amount was determined based on a Fair Value Less Costs of Disposal (FVLCD) calculation. In developing an estimate of the FVLCD, cash flows were forecasted considering the most recent information regarding future production levels (based on estimated quantities of mineral resources and the Company's ability to convert resources to reserves), future production costs, capital expenditures and future metal prices, as well as weighted probability of different scenarios of how the uncertainties about the future will resolve. The key assumptions used in making this assessment as of December 31, 2021 included future metal prices, quantities of mineral resources and the Company's ability to convert those resources to reserves, future production costs, capital expenditures, discount rate and the probability of each of the scenarios identified. Estimated quantities of mineral resources are based on information compiled by management's experts.

Future forecasted metal prices were obtained from independent sources and range between 1,800 USD/oz and 1,600 USD/oz during the life of the mine. If the prices used by management were to decrease by 10%, the company would have had to recognize an additional impairment charge of $12.4 million.

A discount rate of 9.56 % was estimated based on the Gold Road's weighted average cost of capital, considering the nature of the assets being valued and their specific risk profile. If the discount rate applied to the cash flow projections had been 100 basis points higher estimates, the company would have to recognize an additional impairment charge of $0.5 million.

The quantities of mineral resources used in the determination of the FVLCD, was determined based on recent exploration results, and was estimated by internal experts. If the estimated quantities of mineral resources were 10% lower than the one estimated by management, the Company would have recognized an additional impairment charge of $12.4 million.

If the probabilities of the different scenarios had been 10% more negative than management's estimates (worst case scenario increased by 10% and best case scenario reduced by 10%), the Company would have recognized an additional impairment charge of $2.1 million.

Expressed in thousands of United States dollars, except where otherwise noted.

6 VALUE ADDED TAXES AND OTHER RECEIVABLES

		December 31, 2021		December 31, 2020
Value added taxes receivable		**36,025**		36,278
Trade receivables		**8,885**		3,497
Other receivables		**4,478**		2,865
Provision for bad debts - trade receivables		**(95)**		(28)
Total trade and other receivables		**49,293**		42,612
Less: non-current portion of receivables (note 9)		**(6,889)**		(6,849)
Trade and other receivables recorded as current assets	**$**	**42,404**	$	35,763

Due to their short term maturities, the fair value of trade and other receivables approximate their carrying value. As of December 31, 2021, the company has a provision for expected credit losses for $95.

Value added tax receivables are expected to be recovered, taking into consideration the different alternatives available to the company, including: (1) Reimbursement from government authorities, (2) Used as credit for income tax payments and (3) As payment to certain suppliers. The company and their tax advisors are constantly reviewing the options available to ensure the recoverability of these balances.

The Company has retained certain withholding taxes associated with the exercise of stock options by certain key management personnel. Such withholding taxes is a current receivable by the Company (see Note 29).

7 INVENTORY

		December 31, 2021		December 31, 2020
Finished product		**7,550**		14,296
Work-in-process		**23,360**		11,531
Parts and supplies		**26,422**		25,580
Provision for inventory obsolescence		**(778)**		(4,867)
Total inventory	**$**	**56,554**	$	46,540

During the year ended December 31, 2021, the cost of inventories recognized as an expense was $261,546 (2020: $177,992).

Expressed in thousands of United States dollars, except where otherwise noted.

8 OTHER CURRENT ASSETS

		December 31, 2021		December 31, 2020
Advances to vendors and prepaid expenses		**9,913**		7,583
Fair value of debt option		**—**		8,268
Deposits		**1,147**		1,080
	$	**11,060**	$	16,931

Prepaid expenses are prepayments made for general working capital needs such as advances to suppliers and general prepayment of general and administrative expenses.

As described in Note 12, on March 27, 2020 in connection with the acquisition of Gold Road, the Company assumed an outstanding loan to Pandion Mine Finance, LP of $35 million dollars with a prepayment option that would allow the company to pay only $24 million if the loan was paid in full by March 27, 2021. At the date of the acquisition, management estimated the fair value of the option to be $5,044. The main assumption used by management in estimating the value of the option was the credit spread, that was estimated based on external credit risk grading and management internal analysis. During the year ended December 31, 2020, management recognized $3,223 as a result of fluctuations in the fair value of the debt option, mainly due to changes in the credit spread used in the determination of the fair value. On March 27, 2021, in line with the loan agreement management decided not to exercise the option and therefore recognized a loss of $ 8.3 million. (Note 24)

9 OTHER LONG-TERM ASSETS

		December 31, 2021		December 31, 2020
Non-current portion of value added taxes receivables (note 6)		**6,889**		6,849
Other long-term assets, receivables and deposits		**6,448**		3,354
	$	**13,337**	$	10,203

On December 1, 2017, the Company entered into a purchase and sale agreement to sell MVV which owns the Serrote Project for an aggregate consideration of $40 million. The aggregate consideration of $40 million was made up of a cash payment of $30 million (paid), as well the delivery by the purchasers of a subordinated unsecured promissory note in the principal amount of $10 million, payable from 75% of excess cash from the project after the project has repaid project financing and operating cash requirements. The determination of the probability of payment and the timing of payment, significantly impact the fair value of the promissory note. The significant assumptions used in the determination of the fair value includes the probability of MVV to complete the different milestones to put Serrote in commercial production, including getting the required financing and completing the mine and plant construction; and the discount rate. Considering the developments known by management related to the Serrote Project as of December 31, 2021 the Company estimated the fair value of the promissory note to be $ 4.79 million ($2.48 million as of December 31, 2020). If the probabilities of the different scenarios had been 10% more negative than management's estimates (worst case scenario increase by 10% and best case scenario decrease by 10%), the estimated fair value of the promissory note would have been 0.74 million lower.

Expressed in thousands of United States dollars, except where otherwise noted.

10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the year ended December 31, 2021 and for the year ended December 31, 2020 are as follows:

	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at December 31, 2020	**$ 178,642**	**$ 45,118**	**$ 7,015**	**$ 19,256**	**$ 3,985**	**$ 17,143**	**$ 271,159**
Additions	44,765	7,750	955	4,845	1,913	16,993	77,221
Disposals	—	(55)	—	(239)	(2,188)	—	(2,482)
Reclassifications and adjustments	11,574	1,462	2	5,986	(1,232)	(17,792)	—
Depletion and amortization	(23,436)	(6,844)	(555)	(6,237)	(1,790)	—	(38,862)
Impairment	(21,201)	—	—	—	—	—	(21,201)
Net book value at December 31, 2021	**$ 190,344**	**$ 47,431**	**$ 7,417**	**$ 23,611**	**$ 688**	**$ 16,344**	**$ 285,835**
Consisting of:							
Cost	392,291	107,532	20,309	133,636	4,381	16,344	674,493
Accumulated depletion and amortization	(180,746)	(60,101)	(12,892)	(110,025)	(3,693)	—	(367,457)
Impairment	(21,201)	—	—	—	—	—	(21,201)
	190,344	**47,431**	**7,417**	**23,611**	**688**	**16,344**	**285,835**

	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at December 31, 2019	**$ 131,106**	**$ 45,139**	**$ 6,771**	**$ 22,137**	**$ 1,299**	**$ 6,044**	**$ 212,496**
Additions	33,311	2,427	655	1,967	3,644	21,564	63,568
Acquisition of Gold Road	16,856	2,187	3	804	449	430	20,729
Disposals	—	—	(39)	(157)	—	—	(196)
Reclassifications and adjustments	9,509	4,582	31	260	—	(14,382)	—
Change in estimate	—	—	—	—	—	—	—
Depletion and amortization	(11,561)	(6,309)	(406)	(5,755)	(1,407)	—	(25,438)
Net book value at December 31, 2020	**$ 179,221**	**$ 48,026**	**$ 7,015**	**$ 19,256**	**$ 3,985**	**$ 13,656**	**$ 271,159**
Consisting of:							
Cost	336,531	101,283	19,352	123,044	5,888	13,656	599,754
Accumulated depletion and amortization	(157,310)	(53,257)	(12,337)	(103,788)	(1,903)	—	(328,595)
	$ 179,221	**$ 48,026**	**$ 7,015**	**$ 19,256**	**$ 3,985**	**$ 13,656**	**$ 271,159**

For the years ended December 31, 2021 and 2020, depletion and amortization expenses of $37,754 (Note 19) and 22,806 respectively, have been charged to the cost of goods sold.

Expressed in thousands of United States dollars, except where otherwise noted.

Additionally, $3.5 million of amortization and depletion that was sitting in assets under constructions as of December 30, 2020 was respectively reclassified $578.5 to Mineral Properties and $2.9 million to Land and Buildings as of January 1, 2021.

For the Aranzazu mine, there was increased development of various areas within the underground mine complex of $7.7 million which was completed and subsequently reclassified from Assets under Construction to Mineral properties during the year ended December 31, 2021. Also, additional investments in land and buildings of $5.0 million and Assets under construction of $15.6 million were recorded during the period.

For the EPP Mines, during the year ended December 31, 2021, $11.9 million invested in the push back of the Ernesto open pit mine which resulted in the additions to Mineral Properties. Additionally, $1.4 million was invested in plant and machinery, $613 in Furniture and Fixtures and $463 in Land and building during the period.

For Aura Almas, during the year ended December 31, 2021, $9.1 million were invested in mineral properties as part of the development of the Almas mine.

For San Andrés mine, during the year ended December 31, 2021, $10.5 million were invested in mineral properties, $2.2 million were invested in land and buildings, $1.5 million on Plant and machinery and $1.0 million were invested as asset under construction as part of the development of the mine.

As indicated in Note 5, during the period ended December 31, 2021, in accordance with the company's accounting policy, Management determined the recoverable amount of Gold Road's CGU using a FVLCD and determined that the carrying amount of the CGU was greater than its recoverable amount by $21.2 million and an impairment loss was recognized during the year for such amount. In addition to the impairment, Gold Road had disposals of $2.5 million due to lease termination return of assets to lessor.

The right of use assets corresponds to the lease liability obligations discussed under Note 16(b) below.

11 TRADE AND OTHER PAYABLES

		December 31, 2021		December 31, 2020
Trade accounts payable		**39,632**		38,347
Other payables		**12,117**		11,195
Accrued liabilities		**11,625**		10,394
Deferred revenue		**5,172**		12,956
Accounts Payable	**$**	**68,546**	$	72,892

In February 2021, Trafigura México, S.A. de C.V agreed to make an advance payment of $6 million to Aranzazu Holdings Ltda, which was recorded as deferred revenue in connection with the Purchase-Sale agreement entered between the parties in November 2020. The advance bears an annual interest rate of 5.00% with a maturity date of March 2022. The balance of the advance payments as of December 31, 2021 is $5,172.

Expressed in thousands of United States dollars, except where otherwise noted.

12 DEBTS

The list of debt held by the Company, on a consolidated basis, as of December 31, 2021 and December 31, 2020 are as follows:

Financial debt	Maturity Date	Interest Rate	Short Term	Long Term	Outstanding 12/31/2021	Outstanding 12/31/2020
Banco Occidente						
April 1, 2019 Promissory Note ("Third Promissory Note")	February 2021	7.5%	—	—	—	500
Q2 2021 Promissory Note ("Fourth Promissory Note")	Mid-June 2022	6.25%	2,539	—	2,539	—
Banco Atlántida						
Q2 2017 Loan Agreement ("First Loan")	Mid-July 2023	7.3%	1,741	1,306	3,047	4,788
Q1 2021 Loan Agreement ("Second Loan")	January 2022	7.25%	167	—	167	—
Q1 2021 Loan Agreement ("Third Loan")	February 2022	7%	250	—	250	—
Q2 2021 Loan Agreement ("Fourth Loan")	April 2022	7%	417	—	417	—
Q4 2021 Loan Agreement ("Fifth Loan")	November 2022	7.25%	2,177	—	2,177	—
Banco ABC Brasil S.A.						
Q2 2019 Loan Agreement ("Second Loan")	August 2023	6.4%	1,826	1,356	3,182	4,103
Q2 2019 Loan Agreement ("Third Loan")	August 2023	6.4%	1,202	892	2,094	2,704
Q1 2021 Loan Agreement ("Fourth Loan")	February 2024	5.75%	2,596	7,238	9,834	—
Banco Santander Brasil						
Q1 2019 Loan Agreement ("First Loan")	October 2023	5.29%	1,397	2,925	4,322	4,535
Q4 2020 Loan Agreement ("Second Loan")	December 2023	4.95%	1,697	1,689	3,386	3,800
Q4 2020 Loan Agreement ("Third Loan")	December 2021	4.05%	—	—	—	2,380
Banco Votorantim						
Q2 2019 Loan Agreement ("First Loan")	September 2022	6.5%	1,574	—	1,574	3,138
Q1 2021 Loan Agreement ("Second Loan")	March 2022	3.01%	4,926	—	4,926	—
FIFOMI Credit Facility	November 2024	TIIE + 4%	847	1,623	2,470	3,412
IXM S.A.	July 2021	LIBOR + 7%	—	—	—	5,833
Pandion	March 2023	N/A - effective of 15.75%	25,000	—	25,000	26,804
Itau						
Q1 2020 Loan Agreement ("First Loan")	March 2023	7%	3,288	1,600	4,888	8,429
Q1 2021 Loan Agreement ("Second Loan")	March 2024	4.65%	4,524	7,500	12,024	—
Safra	December 2022	2.67%	2,001	—	2001	—
Debentures Payable	July 2026	CDI + 4.35%	—	73,733	73,733	—
Total			$ 58,169	$ 99,862	$ 158,031	$ 70,426

For the years ended December 31, 2021 and 2020, the Company has incurred interest expense on debt of $12,467 and $6,342, respectively.

In March 2020, Mineração Apoena S.A. (“EPP”), a subsidiary of the Company, entered in a debt agreement with Banco Itaú Unibanco S.A., for the principal amount of US$ 8 million. The agreement has a financial covenant where EPP’s Net Debt should be lower than 1.0x over EPP’s last 12 months EBITDA. The covenant is measured at the subsidiary.

In March 2021, Mineração Apoena S.A. (“EPP”), a subsidiary of the Company, entered in a debt agreement with Banco Itaú Unibanco S.A., for the principal amount of US$ 12 million. The agreement has a financial covenant where EPP’s Net Debt should be lower than 1.5x over EPP’s last 12 months EBITDA. The covenant is measured at the subsidiary.

On July 13, 2021, Aura Almas Mineração S.A. ("Almas"), a subsidiary of the Company, closed a debenture of R$ 400 million (approximately US$ 78 million) in aggregate principal amount of senior notes (the "Notes") for the purposes of developing the mine. The Notes will bear interest at a rate equal to the Brazilian Interbank Deposit Rate (CDI rate) plus 4.35% per annum and will mature in up to 5 years from Notes Issue Date, that is, up to July 13, 2026. Along with the debenture, there is a corresponding interest rate and currency swap hedge in USD at 5.84% flat rate per year (Note 26a). The security package of the Notes include a corporate guarantee from Aura Minerals, Inc and financial covenants. The Notes have a financial covenant where Company’ s last 12 months EBITDA should be equal or higher than 1/2.75 times the net debt to be measured on quarterly basis, starting on September 30, 2021 (inclusive). The covenant is measured based on Aura Minerals consolidated financial statements.

For the year ended December 31, 2021, the company and its subsidiaries are in compliance with all the financial covenants stated above.

On March 7, 2020, Aura 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 held: I) a 94% interest in Gold Road Mining Corp. (“GRMC”), which in turn owns the Gold Road Mine located in Arizona (the “Gold Road Project”) and II) a 94% interest in TR-UE Vein Exploration, Inc. (“TR-UE Vein”). On July 15th, 2020, the Company entered into a share purchase agreement of the non-controlling interests’ ownership interest in both GRMC and TR-UE Vein, resulting in a 100% ownership interest for the Company and elimination of the non-controlling interests’ ownership. On December 1, 2020, Gold Road declared commercial production. 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, Aura assumed a debt of $35 million, with an option to pre-pay for $24 million during the first year, which was fair valued at $25.2 million and guaranteed with the mine itself. In Q1 2021, the Company did not exercise the prepayment option and it expired. For the year ended on December 31, 2021, the Company has placed Gold Road mine under care and maintenance. The loan arrangements indicate that in case of payment default, the loan will become repayable on demand. In addition, in the event that any amount of the outstanding debt obligations is not paid when due, the company shall pay interest on the amount of that payment due and unpaid at an interest rate equal to LIBOR plus two percent (2.00%) per annums. As of December 31, 2021 the loan is in default and the company is engaging in conversations with the lender to determine next steps. As a result of the payment default, the company reclassified the debt as a short term debt and recognized an additional US$ 2,959 as a result of adjusting the discount period used to determine the amortized cost.

Expressed in thousands of United States dollars, except where otherwise noted.

13 INCOME TAXES

a) Income tax (recovery) expenses

Income tax expenses included in the consolidated statements of income for the years ended December 31, 2021 and 2020 are as follows:

		2021		2020
Current income tax expense		**32,440**		23,455
Deferred income tax (recovery)/expense		**22,796**		(16,448)
	$	**55,236**	$	7,007

During the year ended December 31, 2021, the company's effective tax rate was 56%, which was mainly driven by the losses in Gold Road (Note 30), including the impairment charge (Note 10), for which deferred tax asset were not recognized. During the year ended December 31, 2021, the Company recorded higher income which resulted in a higher income tax expense. During the same period in 2020, lower earnings were recorded as a result of business disruption due to COVID-19 restrictions. These factors led to an overall higher Income tax expense for the current period, December 31, 2021.

	2021	2020
Income before income taxes	(98,739)	(75,489)
Statutory Rate	0%	0%
Difference in statutory tax rates in foreign jurisdictions	32,311	27,341
Non-deductible expenses	3,522	3,659
Deferred tax assets not recognized in prior years but recognized in current year	—	(26,018)
Unrecognized deferred tax asset	12,831	439
Tax benefit in Apoena	(4,304)	—
Withholdings taxes on distribution	5,900	2,513
Mexican royalty regime	4,369	1,549
Other	607	(3,223)
Income tax expense at the statutory income tax rate	**55,236**	**7,007**

In 2021, the overall increase in income tax expense was directly driven due to the increased in profits before tax and the unrecognized deferred tax mainly due to loss in gold road. (In 2020, the increase in deferred tax recovery was mainly due to the recognition of deferred tax asset related to carry-forward losses and provisions in EPP mines for approximately $25,092.)

Expressed in thousands of United States dollars, except where otherwise noted.

b) Deferred income tax assets and liabilities

Deferred tax liabilities on the consolidated statements of financial position consist of:

Net deferred income tax assets (liabilities) are classified as follows:	**December 31, 2021**	December 31, 2020
Deferred income tax assets	**20,856**	37,475
Deferred income tax liabilities	**(17,110)**	(10,832)
	$ 3,746	$ 26,643

The movement in the net deferred income tax asset (liability) account was as follows:

Balance, December 31, 2019	**$**	**9,701**
Recovered from the statement of income		16,448
Recorded through other comprehensive income		98
Exchange differences		396
Balance, December 31, 2020	**$**	**26,643**
Charged to the statement of income		(22,796)
Recorded through other comprehensive income		(86)
Exchange differences		(15)
Balance, December 31, 2021	**$**	**3,746**

The following temporary differences and tax losses give rise to deferred income tax asset and liabilities at:

	2021	2020
Tax losses carried forward	**9,330**	27,646
Property, Plant and Equipment	**(10,298)**	(13,612)
Other deductible (taxable) temporary differences	**4,714**	12,609
Net deferred income tax asset	**$ 3,746**	$ 26,643

As of December 31, 2021, due to increase in operating margin generated in 2021 over 2020, the Company was able to offset the carried-forward tax losses against current income tax expense realized with a balance of $9,330 in EPP remaining. In 2021, Aranzazu was able to utilize their entire carried-forward tax losses. As of December 31, 2020, the deferred tax assets include an amount of $27,646 which relates to carried-forward tax losses in EPP ($14,416) and Aranzazu ($13,230). The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries. The losses in EPP can be carried forward indefinitely and have no expiry date.

Expressed in thousands of United States dollars, except where otherwise noted.

Some temporary differences and tax losses have not been recognized as deferred tax assets due to the fact that management has determined it is not probable that sufficient future taxable profits will be earned in these jurisdictions to recover such assets. The unrecognized deferred tax assets is mainly related to Gold Road temporary differences and carried forward losses and is summarized as follows:

	2021	2020
Tax losses carried forward	**5,178**	3,645
Provision for mine closure and restoration	**4,397**	4,122
Property, Plant and Equipment	**10,584**	2,003
Other deductible temporary difference	**583**	(1,904)
Net deferred income tax asset	**20,472**	7,866

Management assesses these temporary differences regularly and adjusts the unrecognized deferred tax asset in the period when management determines it is probable that some portion of the assets will be realized.

14 PROVISION FOR MINE CLOSURE AND RESTORATION

	December 31, 2021	December 31, 2020
Balance, beginning of year	**39,445**	30,142
Accretion expense (note 23)	**2,482**	2,082
Change in estimate	**(3,549)**	7,948
Acquisition of Gold Road	**—**	133
Change in estimate for properties in care and maintenance	**3,078**	(860)
Balance, end of year	**$ 41,456**	$ 39,445
Less: current portion	**—**	—
	$ 42,506	$ 39,445

Provision for mine closure and restoration is related to the closure costs and environmental restoration associated with mining operations. The provisions have been recorded at their net present values, using discount rates based upon the risk-free rates of 0.52%, 8.00%, 5.67%, and 8.49% for Gold Road, Brazil, Mexico, and Honduras, respectively. The provisions have been remeasured at each reporting date, with the accretion expense being recorded as a finance cost.

The change in estimate, during 2021, was primarily due to updates in reclamation and restoration costs due to inflation in Brazil.

The change in estimate, during 2020, was primarily due to the offsetting of three items: 1) a decrease in the changes in the expected estimated reclamation and restoration costs in the Aranzazu mine due to new and updated information and 2) an increase in expected estimated reclamation and restoration costs in Honduras and Brazil; and 3) due to changes in discount rates and inflation rates across all of the mines.

Expressed in thousands of United States dollars, except where otherwise noted.

15 OTHER PROVISIONS

	Long-term employee benefits	Provision for judicial contingencies	Total
At December 31, 2019	**$ 7,270**	**$ 328**	**$ 7,598**
Periodic service and finance cost	656	—	656
Change in provision for the year	610	379	989
Actuarial changes	854	—	854
Settlement during the year	(418)	—	(418)
Impact of currency translation	(141)	—	(141)
At December 31, 2020	**$ 8,831**	**$ 707**	**$ 9,538**
Periodic service and finance cost	640	—	640
Change in provision for the period	604	(123)	481
Actuarial changes	1,812	—	1,812
Settlement during the year	(548)	—	(548)
At December 31, 2021	**$ 11,339**	**$ 584**	**$ 11,923**

Long-term employee benefits liability exists as a result of a legal requirement in Honduras pursuant to which the company is obligated to pay a severance payment based on the years of service provided by an employee without regard to the cause of termination.

	2021	2020
Discount Rates	5.45%	7.75%
Salary Increase rate (administrative)	7.50%	7.50%
Salary Increase rate (operation)	8.00%	7.50%
Long Term Inflation	5.00%	5.00%

16 OTHER LIABILITIES

	December 31, 2021	December 31, 2020
NSR royalty (note 16 (a))	**1,518**	625
Lease payment obligation (note 16 (b))	**1,110**	2,943
Total other liabilities	**2,628**	3,568
Less: current portion of other liabilities	**(2,151)**	(2,558)
	$ 477	$ 1,010

Expressed in thousands of United States dollars, except where otherwise noted.

a) NSR Royalty

	December 31, 2021	December 31, 2020
Balance, beginning of period	**625**	1,183
Accretion expense	**—**	16
Royalty payments	**(625)**	(1,199)
Increase in NSR obligations	**1,518**	625
Balance, end of period	**1,518**	625
Less: current portion	**(1,518)**	(625)
	$ —	$ —

As of December 31, 2021, the NSR liability of $541 and $977 was recognized for Gold Road and Aranzazu, respectively.

b) Lease Payment Obligation

	December 31, 2021	December 31, 2020
Balance, beginning of period	**2,943**	1,321
Additions to lease obligation	**2,722**	3,978
Accretion expense	**191**	282
Lease payments	**(3,577)**	(2,638)
Disposals	**(1,169)**	—
Balance, end of period	**1,110**	2,943
Less: short-term portion	**(633)**	(1,933)
	$ 477	$ 1,010

The weighted average discount rate applied to the new lease liabilities within the year ended December 31, 2021 was 7% (December 31, 2020: 8%).

Lease liabilities are reflected within the current and long-term liabilities in the consolidated statements of financial position. The finance cost or amortization of the discount on the lease liabilities are charged to the consolidated statements of income and comprehensive income using the effective interest method.

The following table is a summary of the carrying amounts of the Company's lease liabilities measured at the present value of the remaining lease payments that are recognized in the Consolidated Statements of Financial Position as of:

Expressed in thousands of United States dollars, except where otherwise noted.

	Balance at December 31, 2021	Balance at December 31, 2020
Short-term portion of lease liability	**(633)**	(1,933)
Long-term portion of lease liability	**(477)**	(1,010)
	$ (1,110)	**$ (2,943)**

The table below analyzes the Company's lease liabilities into relevant contractual maturity date groupings based on the remaining period at the Consolidated Statements of Financial Position date to the contractual maturity date of the lease. The amounts shown in the table are the contractual undiscounted cash flows related to lease liabilities as follows:

	Within 1 year	2 to 3 years	4 to 5 years	Total Contractual Cash Flows	Carrying Amount
Lease Liabilities	880	258	—	**1,139**	1,110
	$ 880	**$ 258**	**$ —**	**$ 1,139**	**$ 1,110**

17 SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares.

Effective on August 26th, 2020, the Company completed a share division whereby: i) each issued share of the Company and ii) each issued Brazilian depository receipt ("BDR"), representing a share of the Company, were divided into 15 issued shares and BDRs, respectively.

b) Stock options

A continuity of the Company's stock options issued and outstanding are as follows:

	Number of options	Weighted average price C$
Balance, December 31st, 2019	**3,452,250**	**1.53**
Granted	99,000	10.48
Exercised	(17,895)	1.09
Forfeited	(83,055)	1.07
Balance, December 31, 2020	**3,450,300**	**1.80**
Granted	815,679	13.89
Exercised	(1,964,565)	1.53
Forfeited	(302,398)	0.94
Balance, December 31, 2021	1,999,016	6.78

Expressed in thousands of United States dollars, except where otherwise noted.

As of December 31, 2021, the Company had 1,999,016 options issued and outstanding as follows:

Exercise price C$	Options outstanding	Options Exercisable	Remaining contractual life (years)	Expiry dates
1.57	219,757	219,757	4.45	June 12, 2026
1.57	37,000	—	4.76	October 5, 2026
1.57	899,580	—	5.76	October 2, 2027
15.33	13,500	—	8.78	October 9, 2030
15.33	13,500	—	8.79	October 12, 2030
15.33	36,000	—	7.18	March 3, 2029
13.75	707,679	—	9.18	March 4, 2031
14.09	36,000	—	7.15	February 22, 2029
14.88	36,000	—	7.27	April 5, 2029
	1,999,016	219,757		

During the year ended December 31, 2021, accelerated vesting of stock options granted on June 13, 2018 and October 5, 2018 was approved by the Board of directors, which resulted in a profit and loss impact of $348.

c) Share-based payment expense

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of grant. For the year ended December 31, 2021, share-based payment expense recognized in general and administrative expense was $660 (December 30, 2020: $594).

During the year ended December 31, 2021, Aura has granted stock options of 815,679. During the year ended December 31, 2020, Aura granted 99,000 stock options.

d) **Hedge Accounting**

In Q3 2021, the Company, through Rio Novo Almas, entered into an interest rate and currency swap to establish cash flow hedge reserve. The cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in Note 12.

Expressed in thousands of United States dollars, except where otherwise noted.

18 NET REVENUE

		2021		2020
Gold Revenue		**301,836**		219,332
Copper & Gold Concentrate Revenue		**150,960**		88,074
Other		**(8,237)**		(7,532)
	$	**444,559**	$	299,874

Revenues for the Gold Road Mine, San Andres Mine and EPP Mines relate to the sale of refined gold. Revenue for the Aranzazu mine relates to the sale of copper concentrate. Company's revenues are concentrated in 4 clients and management continuously monitors the relationship with them.

19 COST OF GOODS SOLD BY NATURE

		2021		2020
Direct mine and mill costs		**93,609**		67,364
Direct mine and mill costs – Contractors		**95,985**		67,987
Direct mine and mill costs – Salaries		**34,198**		19,835
Depletion and amortization		**37,754**		22,806
	$	**261,546**	$	177,992

Expressed in thousands of United States dollars, except where otherwise noted.

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Salaries, wages and benefits	**5,776**	4,242
Bonus	**2,730**	1,867
Severance	**524**	84
Professional and consulting fees	**5,618**	3,814
Legal, Filing, listing and transfer agent fees	**946**	1,591
Insurance	**2,296**	1,688
Directors' fees	**11**	1,179
Occupancy cost	**25**	53
Merger and acquisition	**—**	366
Travel expenses	**490**	251
Share-based payment expense	**660**	594
Depreciation and amortization	**41**	20
Lease depreciation expense	**96**	119
Other	**3,543**	2,568
	$ 22,756	$ 18,436

Salaries, wages and benefits categories for the year ended December 31, 2021 include employee compensation such as salaries, benefits, bonuses and variable compensation. The increase is due to the addition of Gold Road personnel and the Corporate structure, associated with the growth of the Company over the last twelve months.

Insurance include new insurance coverage which became effective during the year ended December 31, 2021 and also increased in line with the growth of the Company.

The director’s fees include the revaluation of the outstanding in-the-money DSUs based upon the Company’s share price ended December 31, 2021. For the year ended December 31, 2021, the market price for the Company’s share decrease from December 31, 2020, thus resulting in a decrease in director’s fees.

Share based expense is associated with the issuance of stock options in 2021.

”Other” includes general expenses, such as expenses incurred related to COVID-19 prevention materials and supplies, Health, Environment and Safety and others.

Expressed in thousands of United States dollars, except where otherwise noted.

21 CARE AND MAINTENANCE EXPENSES

		2021		2020
Aranzazu		—		2
Almas, Matupa and Tolda Fria		**343**		714
EPP Mines		**864**		743
Gold Road		**1,933**		135
	$	**3,140**	$	1,594

22 EXPLORATION EXPENSES

	2021	2020
San Andres mine	**1,155**	1,065
EPP projects	**5,768**	3,671
Aranzazu mine	**886**	475
Gold Road	**1,977**	179
	9,786	5,390

23 FINANCE COSTS

		2021		2020
Accretion expense		**2,482**		2,095
Lease interest expense (note 16(b))		**191**		282
Interest expense on debts (note 12)		**12,438**		6,342
Finance cost on post-employment benefit		**640**		656
Other interest and finance costs		**635**		762
	$	**16,386**	$	10,137

The increase in interest expense on debts within the year ended December 31, 2021 includes the interest expense accrued on the Pandion debt for Gold Road in the amount of $6.7 million ($3.1 million in 2020) and Interest expense for Debentures in the amount of $2.2 million.

Accretion Expense for the year ended December 31, 2021 is composed of accretion expense of $3.8 million in EPP Projects, $1.4 million in San Andres Mine and $333 in Aranzazu.

Expressed in thousands of United States dollars, except where otherwise noted.

24 OTHER GAINS (LOSSES)

		2021	2020
Net gain (loss) on call options and fixed price contracts – Gold		**328**	(7,391)
Net loss on call options – Copper		**(601)**	(1,375)
Net gain (loss) on foreign currency derivatives		**1,483**	(6,032)
(Loss) gain on FV Option of Pandion Debt (Note 8)		**(8,268)**	3,223
Foreign exchange gain (loss)		**(1,649)**	(2,358)
Gain on FV change of MVV Promissory note receivable (Note 9)		**2,110**	2,480
Other items		**(1,330)**	(245)
	$	**(7,927)**	$ (11,698)

25 CASH FLOW INFORMATION

a) Items not affecting cash

		2021	2020
Deferred and current income tax (recovery) expense		**57,264**	8,950
Impairment charges (note 10)		**21,201**	—
Depletion and amortization (note 10)		**37,795**	22,826
Accretion expense and lease interest expense (note 23)		**2,673**	2,380
(Gain)/Loss on Derivatives		**3,085**	—
Periodic service, past service and finance costs on post-employment benefit		**1,244**	1,266
Share-based payment expense (note 20)		**660**	594
Change in estimate of provision for mine closure and restoration (note 14)		**3,078**	(860)
Foreign exchange gain (loss) (note 24)		**1,649**	2,357
Gain on FV change of Serrote Promissory Note		**(2,110)**	(2,480)
(Gain)/loss on disposal of assets		**1,179**	(716)
Unrealized loss on call option and fixed price contracts		**(156)**	(71)
Loss (gain) on FV Option of Pandion Debt (Note 8)		**8,268**	(3,222)
Interest expense on debt		**12,467**	6,284
Other non-cash items		**2,005**	1,004
	$	**150,302**	$ 38,312

Expressed in thousands of United States dollars, except where otherwise noted.

b) Changes in working capital

		2021		2020
Decrease (increase) in trade and other receivables		**(14,745)**		(10,122)
Increase in inventory		**(8,947)**		(10,245)
Increase in trade and other payables		**(10,453)**		17,285
	$	**(34,145)**	$	(3,082)

c) Supplementary cash flow information

		2021		2020
Changes in other assets and liabilities consists of:				
Decrease in long term asset		**(1,024)**		2,030
(Increase) decrease in other current assets		**(2,397)**		(5,820)
Other items		**187**		(260)
	$	**(3,234)**	$	(4,050)

d) Non-cash investing and financing activities consist of:

		2021		2020
Non-cash addition to property, plant and equipment	**$**	**(2,146)**	$	11,589

e) Debt reconciliation

		Terms Loans		Working Capital Facility Payable		Total
Balance as at January 1st, 2020	**$**	**42,954**	**$**	**—**	**$**	**42,954**
Changes from Financing cash flows:						
Repayment of Banco Occidente		(1,660)		—		(1,660)
Repayment of Banco Atlantida		(1,161)		—		(1,161)
Repayment of Votorantim		(516)				(516)
Repayment of Pandion Debt		(1,500)				(1,500)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan		(10,000)		—		(10,000)
Repayment of FIFOMI		(73)				(73)
Debt assumed from Acquisition of Gold Road (Pandion Debt)		25,205		—		25,205
Proceeds received from Banco Itau		8,000		—		8,000
Proceeds received from Banco Santander ("Second Loan")		3,800		—		3,800
Proceeds received from Banco Santander ("Third Loan")		2,380		—		2,380
Interest paid on debts		(3,176)		—		(3,176)
		64,253		**—**		**64,253**
Other Changes:						
Interest Expenses on Debts		6,284		—		6,284

Expressed in thousands of United States dollars, except where otherwise noted.

FX Devaluation of MXN Pesos - FIFOMI		(111)	—		(111)
Balance as at December 31, 2020		**70,426**	**—**		**70,426**
Changes from Financing cash flows:					
Repayment of Banco Occidente		(500)	—		(500)
Repayment of Banco Occidente ("Fourth Loan")		(2,461)			(2,461)
Repayment of Banco Atlantida		(1,742)	—		(1,742)
Repayment of Banco Atlantida ("Second Loan")		(1,833)			(1,833)
Repayment of Banco Atlantida ("Third Loan")		(1,250)			(1,250)
Repayment of Banco Atlantida ("Fourth Loan")		(833)			(833)
Repayment of Banco Atlantida ("Fifth Loan")		(198)			(198)
Repayment of Banco ABC Brasil ("Second Loan")		(904)			(904)
Repayment of Banco ABC Brasil ("Third Loan")		(595)			(595)
Repayment of Votorantim		(1,547)			(1,547)
Repayment of Pandion Debt		(8,500)			(8,500)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan		(5,833)	—		(5,833)
Repayment of FIFOMI		(857)			(857)
Repayments of Banco Santander Brasil		(225)			(225)
Repayments of Banco Santander Brasil ("Second Loan")		(422)			(422)
Repayments of Banco Santander Brasil ("Third Loan")		(2,380)			(2,380)
Repayment of Iatu		(3,200)			(3,200)
Loan Repayments		**(33,280)**			**(33,280)**
Proceeds received from Itau		12,000	—		12,000
Proceeds received from Votorantim ("Second Loan")		4,815	—		4,815
Proceeds received from Banco ABC Brasil ("Fourth Loan")		9,650	—		9,650
Proceeds received from Banco Atlantida ("Second Loan")		2,000			2,000
Proceeds received from Banco Atlantida ("Third Loan")		1,500			1,500
Proceeds received from Banco Atlantida ("Fourth Loan")		1,250			1,250
Proceeds received from Banco Atlantida ("Fifth Loan")		2,375			2,375
Proceeds received from Banco Occidente ("Fourth Loan")		5,000			5,000
Proceeds received from Banco Safra		2,000			2,000
Proceeds received from Debentures		77,595			77,595
Loan Proceeds		**118,185**			**118,185**
Interest paid on debts		(3,590)	—		(3,590)
	$	151,741	$ —	$	151,741
Other Changes:					
Interest Expenses on Debts		10,237	—		10,237
Interest Expenses on Debentures		2,230			2,230
Debt Costs on Debentures		(1,676)			(1,676)
FX Adjustments		(4,501)	—		(4,501)
Balance as of December 31, 2021	**$**	**158,031**	**$ —**	**$**	**158,031**

Expressed in thousands of United States dollars, except where otherwise noted.

26 FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

a) Financial Instruments

In accordance with IFRS 9, the Company records the fair value of their derivative fixed price contracts and put/call options instruments at the end of the reporting period as an asset (“in-the-money”) or liability (“out-of-the-money”). The fair value is calculated as the difference between a market-based price and the contracted price. At the end of the reporting period, a corresponding gain or loss is recorded in the Consolidated Statements of Income as Other (Gain) Loss.

For the fixed price contracts and put/call options on the gold derivatives, these derivatives are significantly driven by the market price of gold. As noted below section b, these derivatives are considered as Level 2 investments.

The group has the following derivative financial instruments in the following line items in the balance sheet:

Derivatives Contracts	Commodity/ index	Current/Non-Current	(Asset)/Liability at 12/31/2021	(Asset)/Liability at 12/31/2020
Put/call option contracts				
Aranzazu	Copper	Current	—	155
Swaps				
Aura Almas	CDI	Non-current	2,779	—
			$ 2,779	$ 155

During the year ended December 31, 2021, the company recorded a realized loss of $601 on copper derivatives. Also, the company recorded a realized gain of $1,483 for the currency derivatives hedge held in the period ended December 31, 2021.

In the third quarter of 2021, in conjunction with the Aura Almas project debenture discussed in Note 12, a currency and interest rate swap was entered into with Banco BTG Pactual for a fixed rate of 5.84% to hedge against currency and interest rate fluctuations. Under the swap terms, the Company will assume an asset position of R$ 400 million, receiving remunerative interest corresponding to 100% of the accumulated variation of the DI Rate, increased by a surcharge of 4.35% per year, and will pay the exchange variation of Brazilian Reais vs. US Dollars, plus a fixed linear rate of 5.84% per annum. The Swap operation has a principal and interest amortization schedule identical to the Notes' principal and interest amortization schedule. The security package of the Notes includes a corporate guarantee from Aura Minerals Inc. and financial covenants. As all critical terms were matched at inception of the hedge, the economic relationship was 101.17% effective. As of December 31, 2021, the hedge is effectively maintained.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company uses its judgment in selecting various methods and making assumptions that are based primarily on market conditions existing at the balance sheet date. The Company has used mark-to-market analysis to calculate the fair value of various financial assets at fair value through other comprehensive income, which are not traded in active markets.

The carrying amount of financial assets at fair value through other comprehensive income be $288 lower or $297 higher if the discount rate used in the discounted cash flow analysis were to differ by 10% from management's estimates.

b) Fair value of financial instruments

In accordance with IFRS 9, the Company measures certain of its financials assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value:

1) Level 1,which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities;
2) Level 2, which are inputs other than Level 1 quotes prices that are observable, either directly or indirectly, for the asset or liability; and,
3) Level 3, which are inputs for the asset or liability that are not based on observable market data.

The Company measures certain of its financial assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Additionally, the Company classifies derivative assets and liabilities in Level 2 of the fair value hierarchy as they are valued using pricing models which require a variety of inputs such as expected gold price.

Expressed in thousands of United States dollars, except where otherwise noted.

The fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis at December 31, 2021 and December 31, 2020 are summarized in the following table:

	Level	Financial instrument Classification	**December 31, 2021**		December 31, 2020	
			Carrying value	**Fair value**	Carrying value	Fair value
Assets						
Cash and cash equivalents	N/A	Amortized Cost	**161,490**	**161,490**	117,778	117,778
Other receivable	N/A	Amortized Cost	**4,478**	**4,478**	5,345	5,345
Promissory Note Mineração Vale Verde (MVV)	3	Fair Value	**4,790**	**4,790**	2,480	2,480
Fair value of debt option - Pandion	2	Fair Value	**—**	**—**	8,268	8,268
Other assets (less MVV Promissory note)	N/A	Amortized Cost	**1,658**	**1,658**	874	874
			$ 172,416	**$ 172,416**	$ 142,265	$ 134,745
Financial Liabilities						
At fair value through profit and loss						
Derivative liabilities	2	Fair Value	**2,779**	**2,779**	156	156
Other financial liabilities						
Accounts payable and accrued liabilities	N/A	Amortized Cost	**68,546**	**68,546**	72,892	72,892
Short-term loans	N/A	Amortized Cost	**58,169**	**57,278**	28,485	28,485
Long-term loans	N/A	Amortized Cost	**99,862**	**100,069**	41,941	41,941
Other liability	N/A	Amortized Cost	**1,518**	**1,518**	625	625
			$ 230,874	**$ 230,190 $**	$ 144,099	$ 144,099

The Company notes that the carrying value is an approximation of the fair value due to its maturity in the short-term (i.e. Cash and cash equivalents, other receivable, other assets, accounts payable and accrued liabilities, and other liabilities).

27 FINANCIAL RISK MANAGEMENT

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support the Company's current operations and expansion and development plans and by managing its capital structure as described in Note 29 below.

Aura's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. In the normal course of business, Aura enters into contracts that give rise to commitments for future payments as disclosed in the following table:

Expressed in thousands of United States dollars, except where otherwise noted.

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	68,546	—	—	—	**68,546**
Derivative financial liabilities	—	1,390	1,390	—	**2,779**
Short-term & Long-term debt	58,169	62,959	36,902	—	**158,030**
Provision for mine closure and restoration	2,536	1,958	10,299	26,843	**41,456**
Other liabilities and Leases	2,151	477	—	—	**2,628**
	$ 131,222	**$ 66,783**	**$ 48,591**	**$ 26,843**	**$ 273,439**

As of December 31, 2021, Aura has cash and cash equivalent of $161,490 and working capital of $124,910 (assets, excluding restricted cash, less current liabilities).

b) Currency risk

Aura's operations are located in Honduras, Brazil, México, and the United States; therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Although Aura's sales are denominated in United States dollars, certain operating expenses of Aura are denominated in foreign currencies, primarily the Honduran lempira, Brazilian real, Mexican peso, Canadian dollar and Colombian peso.

Financial instruments that impact Aura's net losses or other comprehensive losses due to currency fluctuations include cash and cash equivalents, accounts receivable, other long-term assets, accounts payable and accrued liabilities, short term loans and other provisions denominated in foreign currency.

At December 31, 2021, the Company had cash and cash equivalents of $161,490, of which, $99,709 were in United States dollars, $61 in Canadian dollars, $60,666 in Brazilian reais, $885 in Honduran lempiras, $167 in Mexican pesos and $1 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 $6,178.

At December 31, 2021, the company had liabilities in foreign currency consisting of $2.5 million in Mexican Pesos and $73.6 in Brazilian reais. 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 $7.6 million.

28 CAPITAL MANAGEMENT

Aura's objectives in managing capital are to ensure sufficient liquidity is maintained in order to properly develop and operate its current projects and pursue strategic growth initiatives, to ensure that externally imposed capital requirements related to any debt obligations are complied with, and to provide returns for shareholders and benefits to other stakeholders. In assessing the capital structure of the Company, management includes in its assessment the components of shareholders' equity and long-term debt. The Company manages its capital structure considering changes in economic conditions, the risk characteristics of the underlying assets, and the Company's liquidity requirements. To maintain or adjust the capital structure, the Company may be required to issue common shares or debt, re-pay existing debt, acquire or dispose of assets, or adjust amounts of certain investments.

Expressed in thousands of United States dollars, except where otherwise noted.

In order to facilitate management of capital, the Company prepares annual budgets which are updated periodically if changes in the Company's business are considered to be significant. The Board reviews and approves all operating and capital budgets as well as the entering into of any material debt obligations, and any material transactions out of the ordinary course of business, including dispositions, acquisitions and other investments or divestitures.

Prior to 2019, Aura had not paid dividends. At the end of 2019, Aura declared dividends on December 27, 2019. In January 2020, Aura paid out the dividends for an amount of $3,044.

On June 22, 2020, Aura's board of directors approved a dividend policy, where Aura will determine an annual dividend based on 20% of its annual Adjusted EBITDA less sustaining capital expenditures and exploration capital expenditures, payable as cash dividends to holders of its shares. Dividends are expected to be declared and paid once a year, based on the preceding year results, with a record date on or shortly after announcement of Aura's annual financial results. As such, any dividend payable under the Dividend Policy will be payable in the second quarter of each year.

On March 15, 2021, Aura's Board of Directors approved a payment of dividends of US$ 0.83 per common share for a total dividends and payments of $60 million, which was paid out on April 6, 2021.

On December 1, 2021, Aura's Board of Directors approved an additional distribution and payment of dividends of US$ 0.35 per common share, as an anticipation of the expected dividends to be paid in the second quarter of 2022. The total dividends distribution of $25.4 million was paid out on December 15, 2021.

29 RELATED PARTY TRANSACTIONS

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the years ended December 31, 2021 and 2020 are as follows:

		2021		2020
Salaries and short-term employee benefits		**4,431**		3,308
Share-based payments		**660**		569
Directors' Fees		**11**		**1,179**
Termination benefits		**404**		84
	$	**5,506**	$	5,140

Director's fees

Management had issued 189,795 deferred stock units (DSUs) to certain directors and former directors of the Company in 2016. The DSUs are recognized at the market value of the company shares based on the provisions of the agreements.

Iraja Royalty Payments

As part of the EPP transaction with Yamana Gold Inc. ("Yamana"), Mineracao Apoena S.A. ("Apoena") entered into a royalty agreement (the "EPP Royalty Agreement"), dated June 21, 2016, with Serra da Borda Mineracao e Metalurgia S.A. ("SBMM"), Yamana's wholly-controlled subsidiary. Commencing on and from June 21, 2016, Apoena would pay to SBMM a royalty (the "Royalty") that is equal to 2.0% of Net Smelter Returns on all gold mined or benefited 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 Iraja Mineracao 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. Aura has incurred expenses of the related royalties of $2,346 and has a liability outstanding of $534 at December 31, 2021.

Royalty Agreement for Aura Almas and Matupá

The Company, through its wholly owned subsidiaries Almas and Matupá, maintains a royalty agreement with Mineração Santa Elina Ind. e Com. S.A., whereby the subsidiary will pay 1.2% of the Net Smelter Returns on all gold mined or sold, from the moment that is declared commercial production. The subsidiary is currently in care and maintenance.

Dividends payable to Northwestern

Northwestern, a company beneficially owned by the Chairman of the Board, is the majority shareholder of Aura with approximately 50.92% ownership as of March 26th, 2021.

On March 15, 2021, Aura's Board of Directors approved a payment of dividends of US$ 0.83 per common share for a total dividend payment of $60 million, with a record date as of March 26th, 2021. The dividend payable amount owed to Northwestern is approximately $30.6 million. The dividends were paid out on April 6th, 2021.

On December 1, 2021, Aura's Board of Directors approved an additional distribution and payment of dividends of US$ 0.35 per common share, as an anticipation of the expected dividends to be paid in the second quarter of 2022 which totaled a dividend distribution of $25.4 million. The dividend payable amount owed to Northwestern is $12.9 million and was paid out on December 15, 2021.

Employee withholding taxes payable to Company

In March 2021, certain key executives of the Company exercised their stock options in return for shares of the Company. Although the executives received shares of the Company instead of a cash payment at the time of the exercise, the Company, following local tax regulation, had the obligation to immediately retain withholding taxes calculated on the expected gain at the time of the exercise, in favor of the local tax authorities. The Board of Directors of the Company authorized such employees to reimburse the Company of such withholding taxes in a maximum period of 18 months with bearing an interest rate of equal or higher of the Applicable Federal Rates ("AFR") of the month when the withholding tax was retained. Such outstanding balance is guaranteed by shares of the Company owned by such executives in a proportion of 150% of the outstanding balance, and the Company has the right to demand additional shares as collateral in case of reduction of the market price of the shares. Additionally, the receivable becomes immediately due by the employees in case of employment termination. As of December 31, 2021, the total outstanding balance to be received by the Company is $3.2 million.

30 SEGMENTED INFORMATION

The reportable operating segments have been identified as the San Andres Mine, EPP Mines, the Aranzazu Mine, Corporate, Almas, Matupá and Tolda Fria and Gold Road Mine. The Company manages its business, including the allocation of resources and assessment of performance, on a project-by-project basis, except where the Company's projects are substantially connected and share resources and administrative functions. The segments presented reflect the way in which the Company's management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision makers. Executive management is responsible for allocating resources and assessing performance of the operating segments.

Expressed in thousands of United States dollars, except where otherwise noted.

For the years ended December 31, 2021 and 2020, segmented information is as follows:

For the year ended December 31, 2021	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Gold Road	Almas, Matupa & Tolda Fria Projects	Total
Sales to external customers	**$ 155,209**	**$ 117,837**	**$150,960**	**$ —**	**$ 20,553**	**$ —**	**$ 444,559**
Cost of production	71,462	59,884	70,405	(6)	22,047	—	223,792
Depletion and amortization	7,490	11,319	15,115	—	3,830	—	37,754
Gross margin	**76,257**	**46,634**	**65,440**	**(6)**	**(5,324)**	**—**	**183,013**
General and administrative expenses	(1,566)	(3,658)	(4,032)	(11,032)	(2,432)	(36)	(22,756)
Care-and-maintenance expenses	—	(864)	—	—	(1,933)	(343)	(3,140)
Exploration expenses	(1,155)	(5,768)	(886)	—	(1,977)	—	(9,786)
Impairment	—	—	—	—	(21,201)	—	(21,201)
ARO Change in estimate for properties in care and maintenance	—	(3,078)	—	—	—	—	(3,078)
Operating income/(loss)	**73,536**	**33,266**	**60,522**	**(11,038)**	**(32,867)**	**(379)**	**123,052**
Finance costs	(2,713)	(3,335)	(1,232)	(44)	(6,831)	(2,231)	(16,386)
Net loss on call options and fixed price contracts – Gold	—	—	—	328	—	—	328
Net gain on call options – Copper	—	—	(601)	—	—	—	(601)
Net gain (loss) on foreign currency derivatives	—	—	—	—	—	1,483	1,483
Foreign exchange (loss) gain	197	836	(1,129)	9	—	(1,562)	(1,649)
Other items	256	506	(893)	2,232	(9,462)	(127)	(7,488)
Income (loss) before income taxes	**71,276**	**31,273**	**56,667**	**(8,513)**	**(49,160)**	**(2,816)**	**98,739**
Current income tax (expense)	**(21,573)**	**(4,628)**	**(5,799)**	**—**	**—**	**(440)**	**(32,440)**
Deferred income tax (expense) recovery	**(3,741)**	**(4,100)**	**(15,094)**	**—**	**—**	**139**	**(22,796)**
Income (loss) for the year	**$ 45,962**	**$ 22,545**	**$ 35,774**	**$ (8,513)**	**$ (49,160)**	**$ (3,117)**	**$ 43,503**
Property, plant and equipment	**$ 52,713**	**$ 41,108**	**$110,276**	**$ 456**	**$ 17,442**	**$ 63,840**	**$ 285,835**
Total assets	**$ 97,739**	**$ 127,763**	**$164,368**	**$ 47,570**	**$ 18,244**	**$ 136,796**	**$ 592,480**
Capital expenditures	**$ 15,206**	**$ 14,787**	**$ 30,051**	**$ —**	**$ 10,349**	**$ 9,071**	**$ 79,464**

(1) Almas, Matupá and Tolda Fria Projects are not operating projects and is not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

Expressed in thousands of United States dollars, except where otherwise noted.

For the year ended December 31, 2020	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Gold Road	Almas, Matupa & Tolda Fria Projects	Total
Sales to external customers	$ 95,060	$114,741	$ 88,074	$ —	$ 1,999	$ —	$299,874
Cost of production	49,673	50,246	53,674	—	1,593	—	155,186
Depletion and amortization	5,694	7,576	9,324	—	212	—	22,806
Gross margin	39,693	56,919	25,076	—	194	—	121,882
General and administrative expenses	(644)	(2,276)	(3,238)	(10,937)	(1,241)	(100)	(18,436)
Care-and-maintenance expenses	—	(743)	(2)	—	(135)	(714)	(1,594)
Exploration expenses	(1,065)	(3,671)	(475)	—	(179)	—	(5,390)
ARO Change in estimate for properties in care and maintenance	—	857	—	—	—	—	857
Operating income/(loss)	37,984	51,086	21,361	(10,937)	(1,361)	(814)	97,319
Finance costs	(2,555)	(2,440)	(1,847)	(45)	(3,247)	(3)	(10,137)
Net loss on call options and fixed price contracts – Gold	(794)	(1,321)	(789)	(4,487)	—	—	(7,391)
Net gain on call options – Copper	—	—	(1,375)	—	—	—	(1,375)
Net gain (loss) on foreign currency derivatives	—	(3,433)	—	(2,599)	—	—	(6,032)
Foreign exchange (loss) gain	(264)	(2,241)	80	99	—	(32)	(2,358)
Other expenses	143	639	(1,046)	2,499	3,224	(1)	5,458
Income (loss) before income taxes	34,514	42,290	16,384	(15,470)	(1,384)	(850)	75,484
Current income tax (expense)	(9,663)	(11,773)	(2,018)	(1)	—	—	(23,455)
Deferred income tax (expense) recovery	(1,281)	24,956	(4,586)	—	—	(2,641)	16,448
Income (loss) for the year	$ 23,570	$ 55,473	$ 9,780	$ (15,471)	$ (1,384)	$ (3,491)	$ 68,477
Property, plant and equipment	$ 44,640	$ 41,902	$ 96,615	$ 345	$ 32,886	$ 54,771	$271,159
Total assets	$ 87,597	$116,983	$130,001	$ 101,674	$ 44,862	$ 55,073	$536,190
Capital expenditures	$ 8,989	$ 14,328	$ 16,626	$ —	$ 10,420	$ 1,614	$ 51,977

(1) Almas, Matupá and Tolda Fria Projects are not operating projects and is not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

31 COMMITMENTS AND CONTINGENCIES

a) Operating leases commitments

The Company has the following commitments for future minimum payments under operating leases:

	December 31, 2021	December 31, 2020
Within one year	**$ 35**	$ 171
Two to Four Years	**337**	8
	$ 372	$ 179

b) Contingencies

Expressed in thousands of United States dollars, except where otherwise noted.

Certain conditions may exist as of the date of these financial statements which may result in a loss to the Company in the future when certain events occur or fail to occur. The Company assesses at each reporting date its loss contingencies related to ongoing legal proceedings by evaluating the likelihood of such proceedings, as well as the amounts claimed or expected to be claimed.

Included in other provisions as of December 31, 2021 is a provision of $584 (2020: $707) for loss contingencies related to ongoing legal claims.

32 INCOME PER SHARE

Basic income per share is calculated by dividing the income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted income per share is calculated using the "if-converted method" in assessing the dilution impact of convertible instruments until maturity. The if-converted method assumes that all convertible instruments until maturity have been converted in determining fully diluted profit per share if they are in-the-money, except where such conversion would be anti-dilutive. In the event of a share consolidation or share division, the calculation of basic and diluted income (loss) per share is adjusted retrospectively for all periods presented.

The following table summarizes activity for the year ended December 31, 2021:

		2021		**2020**
Income /(Loss) for the period	**$**	**45,503**	$	68,477
Weighted average number of shares outstanding - basic		**72,244,618**		67,912,271
Weighted average number of shares outstanding - diluted		**72,464,375**		69,148,606
Total net income/(loss) per share – basic	$	0.60	$	1.01
Total net income/(loss) per share – diluted	$	0.60	$	0.99

33 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the filing date of consolidated financial statements and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements, except for the following:

Banco Bradesco Loan

On February 23, 2021, Mineração Apoena entered into a new loan and swap agreement ("New Debt") with Banco Bradesco for the amount of $10,000. The New Debt has a maturity date of February/2025.