Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

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, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

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

- the consolidated statements of income for the years ended December 31, 2020 and 2019;
- the consolidated statements of comprehensive income for the years ended December 31, 2020 and 2019;
- the consolidated statements of cash flows for the years ended December 31, 2020 and 2019;
- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of changes in equity for the years ended December 31, 2020 and 2019; 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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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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 5 – Significant accounting estimates and judgements to the consolidated financial statements.* As at December 31, 2020, the net book value of PP&E amounted to $271.2 million. Management assesses at each reporting date whether there are indicators of impairment of the Company's PP&E. Management applies significant judgement 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 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. We considered this a key audit matter due to (i) the significance of the 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 considered by management in its assessment of impairment indicators, which required significant management judgement.	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 reserves and 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 interest rates by considering external market data. – Recalculated the Company's market capitalization and compared it to the carrying amount of the net assets as at December 31, 2020.

Valuation of mineral properties acquired as part of the Gold Road Acquisition	Our approach to addressing the matter included the following procedures, among others:
Refer to note 5 – Significant accounting estimates and judgements, note 6 – Acquisition of Gold Road and note 11 – PP&E to the consolidated financial statements. On March 27, 2020, the Company acquired all of the outstanding common shares of Z79 Resources, Inc. which owns the Gold Road mine located in Arizona (the Gold Road Acquisition). Total consideration paid by the Company was $1 and the fair value of the assets acquired included $16.9 million related to mineral properties. Management determined that there was significant judgement required to determine the fair values of the mineral properties acquired in the Gold Road Acquisition. To determine the fair values of the mineral properties, management used a discounted cash flow model, with significant assumptions including the future metal prices, expected future production costs and capital expenditures, discount rate, the estimated quantities of mineral resources and the Company's ability to convert resources to reserves. Estimated quantities of mineral resources are based on information compiled by qualified persons (management's experts). We considered this a key audit matter due to the significant judgement applied by management in estimating the fair values of mineral properties, including the development of significant assumptions and the use of management's experts to estimate the quantities of mineral resources of the Gold Road Acquisition. This, in turn, led to a high degree of auditor judgement, subjectivity and effort in performing procedures and evaluating audit evidence relating to the significant assumptions. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	• With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent point estimate of the fair values of the mineral properties using a market approach by considering observable market values for comparable assets expressed as dollar per ounce of mineral resources. – evaluated the reasonableness of significant assumptions impacting the independent point estimate, which included the following: ○ evaluating the market values expressed as dollar per ounce of mineral resources by comparing them to evidence of value from recent comparable market information; and ○ used the work of management's experts to evaluate the reasonableness of estimated quantities of mineral resources. As a basis for using this work, management's experts' competence, capability and objectivity were evaluated, their work performed was understood and the appropriateness of their work as audit evidence was evaluated by considering the relevance and reasonableness of the assumptions, methods and findings. • Compared the independent point estimate to management's estimate to evaluate the reasonableness of management's estimate.

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 judgement 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
March 1, 2021

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
March 1, 2021

Aura Minerals Inc.

Consolidated Statements of Income

For the years ended December 31, 2020 and 2019

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

	Note		**For the twelve months ended December 31, 2020**		For the tweleve months ended December 31, 2019
Net revenue	19	**$**	**299,874**	$	226,202
Cost of goods sold	20		**177,992**		177,941
Gross margin			**121,882**		48,261
General and administrative expenses	21		**18,436**		11,860
Care-and-maintenance expenses	22		**1,594**		1,523
Exploration expenses	23		**5,390**		3,525
Operating income			**96,462**		31,353
Finance costs	24		**(9,280)**		(7,802)
Other losses	25		**(11,698)**		(6,879)
Income before income taxes			**75,484**		16,672
Current income tax expense	14		**(23,455)**	$	(9,797)
Deferred income tax recovery	14		**16,448**		18,012
Income for the year		**$**	**68,477**	$	24,887
Income per share:					
Basic	32	**$**	**1.01**	$	0.38
Diluted	32	**$**	**0.99**	$	0.38
Weighted average number of common shares outstanding:					
Basic	32		**67,912,271**		65,294,719
Diluted	32		**69,148,606**		65,915,914

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

Aura Minerals Inc.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

Expressed in thousands of United States dollars

		2020		2019
Income for the year	**$**	**68,477**	$	24,887
Other comprehensive loss				
Items that may be reclassified to profit or loss				
Loss on foreign exchange translation of subsidiaries		**(23)**		(480)
Items that will not be reclassified to profit or loss				
Actuarial loss on post-employment benefit, net of tax		**(584)**		(568)
Other comprehensive loss, net of tax		**(607)**		(1,048)
Total comprehensive income	**$**	**67,870**	$	23,839

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, 2020 and 2019

Expressed in thousands of United States dollars

	Note	**2020**	2019
Cash flows from operating activities			
Income for the year		**68,477**	24,887
Items not affecting cash	26(a)	**38,311**	20,734
Changes in working capital	26(b)	**(3,082)**	(7,682)
Taxes paid		**(9,297)**	(1,789)
Other assets and liabilities	26(c)	**(4,050)**	(24)
Net cash generated by operating activities		**90,359**	36,126
Cash flows from investing activities			
Purchase of property, plant and equipment, and other investments	11	**(51,973)**	(25,791)
Proceeds from maturity of short term investments		**-**	10,148
Proceeds on sale of plant and equipment		**912**	244
Net cash used in investing activities		**(51,061)**	(15,399)
Cash flows from financing activities			
Proceeds received from debts	26(e)	**14,180**	20,443
Payments of dividends	28	**(3,044)**	-
Net proceeds from Brazil IPO	18	**52,199**	-
Payments from exercise of stock options		**(107)**	(45)
Repayment of short term loans	26(e)	**(14,910)**	(8,688)
Repayment of other liabilities	17(a)	**(1,199)**	(928)
Principal payments of lease liabilities	17(b)	**(2,638)**	(523)
Interest paid on debts	26(e)	**(3,176)**	(2,364)
Net cash generated by financing activities		**41,305**	7,895
Increase in cash and cash equivalents		**80,603**	28,622
Effect of foreign exchange loss on cash equivalents		**(1,695)**	(259)
Cash and cash equivalents, beginning of the year		**38,870**	10,507
Cash and cash equivalents, end of the year		**117,778**	38,870

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

Aura Minerals Inc.

Consolidated Statements of Financial Position

As at December 31, 2020 and 2019

Expressed in thousands of United States dollars

	Note	December 31, 2020	December 31, 2019
ASSETS			
Current			
Cash and cash equivalents		$ **117,778**	$ 38,870
Restricted cash		**341**	230
Value added taxes and other receivables	7	**35,763**	31,470
Inventory	8	**46,540**	33,535
Other current assets	9	**16,931**	6,139
		217,353	110,244
Other long-term assets	10	**10,203**	9,753
Property, plant and equipment	11	**271,159**	212,496
Deferred income tax assets	14	**37,475**	18,016
		536,190	**350,509**
LIABILITIES			
Current			
Trade and other payables	12	$ **72,892**	56,992
Derivative Financial Instrument	27	**156**	227
Current portion of debts	13	**28,485**	22,104
Current income tax liabilities		**16,619**	6,157
Current portion of other liabilities	17	**2,558**	1,944
		120,710	87,424
Debts	13	**41,941**	20,850
Deferred income tax liabilities	14	**10,832**	8,315
Provision for mine closure and restoration	15	**39,445**	30,142
Other provisions	16	**9,538**	7,598
Other liabilities	17	**1,010**	560
		223,476	154,889
SHAREHOLDERS' EQUITY	18		
Share capital		**618,063**	569,285
Contributed surplus		**55,870**	55,424
Accumulated other comprehensive income		**4,772**	5,379
Deficit		**(365,991)**	(434,468)
		312,714	195,620
		$ **536,190**	$ **350,509**

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, 2020 and 2019

Expressed in thousands of United States dollars, except share amounts

	Note	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	18	17,910	41	(148)	-	-	(107)
Stock options issued		-	-	594	-	-	594
Issuance of Shares per IPO in Brazil net of isscuance costs	18	5,423,430	48,737	-	-	-	48,737
Income for the year		-	-	-	-	68,477	68,477
Gain on translation of subsidiaries		-	-	-	(23)	-	(23)
Actuarial loss on severance liability, net of tax		-	-	-	(584)	-	(584)
At December 31, 2020		**70,742,460**	**$ 618,063**	**$ 55,870**	**$ 4,772**	**$ (365,991)**	**$ 312,714**

	Note	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
At December 31, 2018		65,059,140	$ 569,052	$ 55,253	$ 6,427	$ (456,311)	$ 174,421
Exercise of options		241,980	233	(278)	-	-	(45)
Stock options issued		-	-	449	-	-	449
Income for the year		-	-	-	-	24,887	24,887
Dividends declared		-	-	-	-	(3,044)	(3,044)
Loss on translation of subsidiaries		-	-	-	(480)	-	(480)
Actuarial loss on severance liability, net of tax		-	-	-	(568)	-	(568)
At December 31, 2019		**65,301,120**	**$ 569,285**	**$ 55,424**	**$ 5,379**	**$ (434,468)**	**$ 195,620**

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 26, 2021 and authorized for issuance on March 1, 2021.

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 4 – 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 several services companies in Mexico which have a functional currency of Mexican Pesos (“MXN Pesos”) and several Brazilian subsidiaries in Brazilian Reais (“BRL Reais”). All values in the consolidated financial statements are rounded to the nearest thousand except otherwise noted.

3 IMPACT OF COVID-19 PANDEMIC

At the end of 2019, a novel strain of coronavirus (“COVID-19”) was reported in China. By March 11, 2020, the World Health Organization deemed the COVID-19 outbreak to be a pandemic.

During the first quarter of 2020, measures were taken by governments to contain the pandemic, including in some of the countries in which Aura operates. On March 16, 2020, the Honduran government approved by PCM Decree 21-2020, among others, the suspension of work in the public and private sectors, with private companies such as Aura having to operate with a minimal work force for general maintenance no greater than 50 people. Mining operations at San Andres were interrupted and Aura has reduced its workforce to the minimum in order to maintain tailings and continue to satisfy environmental requirements in connection with operations and other critical activities at the mine. The Honduran government had issued new orders since then extending its previously-issued decree until May 24, 2020. Aura, through the granting of a special request authorization from the Honduran government, was allowed to fully resume operations at San Andres on May 26, 2020.

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which has since been extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining companies were

allowed to request authorization to fully resume operations from May 18, 2020. The March 31 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that prevents their further continuation. Accordingly, Aura suspended all non-essential operations at Aranzazu while maintaining only critical activities which are required to prevent safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing. On May 27, 2020, Aura obtained authorization to fully resume operations at the Aranzazu mine.

Aura has been monitoring the developments of the pandemic and instituted some preventative measures to ensure the safety of its workforce and local communities by having essential personnel on-site and other non-essential personnel work remotely.

As of December 31, 2020, the currency of Brazil and Mexico devalued from December 31, 2019 by 29% and 18%, respectively, which affected various financial statement line items including foreign exchange gain/loss (Note 25), deferred tax assets (Note 14), and VAT taxes (Note 7).

As a result of the events and factors described above, assumptions utilized by Aura, such as future metal prices, exchange rates, discount rates, and other key assumptions, are subject to greater uncertainty given the current economic conditions. The extent to which COVID-19 impacts future business activity or financial results (including impairment of non-financial assets), and the duration of the Pandemic, will depend on future developments, which are highly uncertain and unknown at this time.

4 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 have 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:

- Minerales de Occidente, S.A. (Honduras) ("Minosa")
  - the San Andres open-pit gold mine in Honduras (the "San Andres Mine")
- Mineracao Apoena Limitada (Brazil) ("Apoena" or "EPP")
  - The Ernesto open-pit mine (the "Ernesto mine")
  - Pau-a-Pique underground mine (the "Pau-a-Pique mine")

- The Sao Francisco open-pit gold mine in Brazil (the “Sao Francisco Mine”)
- The Japonês open-pit gold mine in Brazil (the “Japonês Mine”)
- The Lavrinha open-pit gold mine in Brazil (the “Lavrinha Mine”)

- Aranzazu Holding S.A. de C.V. (Mexico) (“Aranzazu”)
  - The Aranzazu underground mine in Mexico (the “Aranzazu Mine”), which produces a copper-gold-silver concentrate
- Gold Road (Arizona, USA)
  - The Gold Road mine (“Gold Road”) located in the historical Oatman mining district of northeastern Arizona, by the California-Nevada-Arizona border. *(Refer to note 8)* Gold Road declared commercial production in December 2020.

- Project Brazil and Colombia
  - The Almas Gold Project (“Almas”). Gold project located in the state of Tocantins, Brazil
  - *The Matupa Gold* Project (“Matupa”). Gold project located in the state of Mato Grosso, Brazil
  - *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 saleable 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 body 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/UOP	4-10 years
Computer equipment and software	Straight-line	2-5 years
Leasehold improvements	Straight-line	Lease term
Buildings	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 mandatorily 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 statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss are carried in the 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 payables, and
- borrowings

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.

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.

New Accounting Standards Effective in 2020

The Company has applied, the following standards and amendments for the first time for their annual reporting period commencing on January 1, 2020:

Revised "Conceptual Framework for Financial Reporting"

On March 29, 2018, the International Accounting Standards Board (IASB) issued a revised "Conceptual Framework for Financial Reporting" which is currently being used by the Board and Interpretations Committee of the IASB in developing new pronouncements. The revision includes definitions of an "asset" and a "liability" along with new guidance on measurement, derecognition, presentation, and disclosure.

Amendments to IFRS 3 regarding the definition of "business"

On October 22, 2018, the International Accounting Standards Board (IASB) issued an amendment to the "Definition of a Business (Amendments to IFRS 3)" to clarify the definition of a "business" to remove difficulties in determining whether a company has acquired a business or a group of assets.

Amendments to IAS 1 and IAS 8 regarding the definition of "materiality"

On October 31, 2018, the International Accounting Standard Board (IASB) issued an amendment to the "definition of Material (amendment to IAS 1 and IAS 8)" to clarify the definition of "material" and to align the definition used in the Conceptual Framework and the standards.

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 1, 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 to assess the impact the adoption of this standard will have on the consolidated financial statements.

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

Purchase price allocation

Business combinations require judgement and estimates to be made at the date of acquisition in relation to the determination of the fair value of the acquired assets and liabilities.

Significant judgements were made in determining the fair values of identifiable assets and liabilities in relation to the Acquisition of Gold Road (see Note 6 for details). The fair values of mineral properties acquired used the following significant assumptions: future metal prices, expected future production costs and capital expenditures, discount rate, the estimated quantities of mineral resources and the Company's ability to convert resources to reserves. Judgements were also made in relation to the discount rate and probabilities assigned to the exercise of the prepayment option used in the determination of the fair value of the assumed Pandion Debt.

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, each asset or CGU is evaluated at each reporting date to determine whether there are any indicators of impairment 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.

6 ACQUISITION OF GOLD ROAD

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"). Aura entered into the purchase of the Gold Road mine to further diversify its portfolio of mines in the Americas. Beginning in Q2 2020, the Gold Road mine was under development and no longer in care and maintenance. 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 (see note 13).

The transaction was deemed to be within the scope of IFRS 3 - Business Combinations and Aura concluded that the activities of Z79 constitute a business.

The purchase price and allocation of the purchase price (expressed in $US dollars) is as follows:

Assets acquired	
Cash	4,863
Inventory	148,428
Other Assets	166,411
Property, Plant and Equipment (Note 11)	20,728,930
FV of Pandion Debt Option	5,044,883
Total Assets acquired	26,093,515
Liabilities assumed	
Accounts payable and accrued liabilities	(419,527)
ARO Liability (Note 15)	(133,244)
Lease Liabilities (Note 16)	(333,933)
Pandion Debt (Note 13)	(25,205,466)
Total liabilities assumed	(26,092,170)
Net assets acquired	1,345
Less: Non-controlling Interest	(1,344)
Total Purchase Price Consideration	1

In connection with the purchase of the Gold Road mine, Aura assumed a royalty (the "Royalty"), paid to Mojave Desert Minerals, Inc., a non-related party to Aura, that is equal to 2.0% of Net Smelter Returns on all gold-mined from the Gold Road mine (the "Gold Road-Mined Products") and 1.0% of Net Smelter Returns on all gold-processed in the Gold Road mine (the "Gold Road-Processed Products") sold or deemed to have been sold by or for Gold Road. As of year ended December 31, 2020, Gold Road has a NSR liability of $232.

Aura also acquired the rights to certain options to purchase and explore several adjacent parcels of land (subject to future NSR royalty arrangements) surrounding the Gold Road mine. These options have been assigned a minimal value.

Additionally, in connection with the acquisition of the Gold Road mine, Aura incurred acquisition-related expenses of $366, which were reflected mainly in the merger and acquisitions category in General and Administrative expenses.

7 VALUE ADDED TAXES AND OTHER RECEIVABLES

		December 31, 2020		December 31, 2019
Value added tax receivable	**$**	**36,278**	$	33,461
Trade receivable		**3,497**		6,427
Other receivable		**2,865**		541
Provision for bad debts - trade receivables		**(28)**		(62)
Total trade and other receivables		**42,612**		40,367
Less: non-current portion receivables		**(6,849)**		(8,897)
Trade and other receivables recorded as current assets	**$**	**35,763**	$	31,470

Due to their short-term maturities, the fair value of trade and other receivables approximate their carrying value. As of December 31, 2020, the company has a provision for expected credit losses for $28.

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.

8 INVENTORY

		December 31, 2020		December 31, 2019
Finished product	**$**	**14,296**	$	8,883
Work-in-process		**11,531**		6,577
Parts and supplies		**25,580**		22,571
Provision for inventory obsolescence		**(4,867)**		(4,496)
Total inventory	**$**	**46,540**	$	33,535

During the year ended December 31, 2020, the cost of inventories recognized as an expense was $177,466 (2019: $177,536).

9 OTHER CURRENT ASSETS

		December 31, 2020		December 31, 2019
Prepaids expenses	**$**	**7,583**	$	5,290
Fair value of debt option		**8,268**		-
Deposits		**1,080**		849
	$	**16,931**	$	6,139

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

As described in Note 13, on March 27, 2020 in connection with the acquisition of Gold Road (Note 6), the Company assumed an outstanding loan to Pandion Mine Finance, LP of $35 million dollars with a prepayment option that will allow the company to pay only 24$ million if the loan is 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 gradings and management internal analysis. During the year ended December 31, 2020, management recognised $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.

10 OTHER LONG- TERM ASSETS

	December 31, 2020	December 31, 2019
Non-current portion of value added taxes receivables (note 7)	**$ 6,849**	$ 8,897
Other long-term receivables and deposits	**3,354**	856
	10,203	9,753

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. Considering the recent developments related to the Serrote Project, the Company estimated the fair value of the promissory note to be $2.48 million as of December 31, 2020 (included as other long-term receivables and deposits). The Company will continue to monitor the project, with special attention to when commercial production will be declared, and when positive cash flows will start to be generated, in order to reassess the fair value at each reporting date.

11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the years ended December 31, 2020 and 2019 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, 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 (Note 6)	**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)**	**-**
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**

	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, 2018	$ 124,397	$ 36,390	$ 6,742	$ 26,494	0	$ 11,174	$ 205,197
Additions	6,495	3,071	270	2,012	1,795	16,340	29,983
Disposals	-	-	-	(112)	-	(241)	(353)
Reclassifications and adjustments	11,148	9,101	-	980	-	(21,229)	-
Depletion and amortization	(10,934)	(3,423)	(241)	(7,237)	(496)	-	(22,331)
Net book value at December 31, 2019	$ 131,106	$ 45,139	$ 6,771	$ 22,137	$ 1,299	$ 6,044	$ 212,496
Consisting of:							
Cost	$ 276,855	$ 92,087	$ 18,702	$ 120,170	$ 1,795	$ 6,044	$ 515,653
Accumulated depletion and amortization	(145,749)	(46,948)	(11,931)	(98,033)	(496)	-	(303,157)
	$ 131,106	$ 45,139	$ 6,771	$ 22,137	$ 1,299	$ 6,044	$ 212,496

For the years ended December 31, 2020 and 2019, depletion and amortization expenses of $22,826 (Note 20) and $22,344 respectively, have been charged to cost of goods sold.

For the Aranzazu mine, there was increased development of various areas within the underground mine complex of $7.3 million which was completed and subsequently reclassified from Assets under Construction to Mineral properties during 2020.

For the EPP Mines, during 2020, there were significant investments in the development of the Ernesto open pit mine which mainly drove the additions in Mineral Properties by $9.7 million and Land and Buildings by $4.1 million. These significant investments lead to commercial production declaration in the mine by October 1, 2020.

For the Gold Road mine, there have been significant investments in the development and ramp-up of the mine, which mainly drove additions in Mineral Properties by $9.3 million. Additionally, for the year ended December 31, 2020, the Gold Road mine has recognized gross right of use assets of $3.5 million related to mobile mining equipment. By the end of the year 2020, commercial production was declared.

Asset under Construction, during 2020, is mainly driven by additions to the Aranzazu and San Andres mine as part of the development of the projects not yet reclassified to Mineral Properties.

The right of use assets corresponds to the lease liability obligations discussed under Note 17(b) below.

12 TRADE AND OTHER PAYABLES

		December 31, 2020		December 31, 2019
Trade accounts payable	**$**	**38,347**	$	34,634
Other payables		**11,195**		6,971
Accrued liabilities		**10,394**		11,503
Deferred revenue		**12,956**		3,884
Accounts Payable	**$**	**72,892**	$	56,992

13 DEBTS

		December 31, 2020		December 31, 2019
Total debt (note 13 (a))		**70,426**		42,954
Less: current portion		**(28,485)**		(22,104)
Non-current portion	**$**	**41,941**	$	20,850

a) Term loans

i) Banco de Occidente, S.A. ("Banco Occidente")

On November 18, 2016, the Company, through Minosa, received approval for a $1,800 short-term promissory note (the "Second Promissory Note") from Banco Occidente for working capital requirements. The Second Promissory Note bears an annual interest rate of 7.0% with a grace period of one year and a maturity date of November 17, 2019. During the first quarter of 2019, Banco Occidente approved a three-month grace period on principal payments from December 2018 to February 2019 and extended the maturity date to February 2021. As at December 31, 2020, the outstanding balance on the Second Promissory Note was $nil (December 31, 2019: $159). For the year ended December 31, 2020, the Company incurred $2 of interest expenses (December 31, 2019: $45) which were recorded as finance costs.

On April 1, 2019, the Company, through Minosa, received another approval for a $2,000 short-term promissory note (the "Third Promissory Note") from Banco Occidente for working capital requirements. The Third Promissory Note bears an annual interest rate of 7.5% with a grace period of six months and a maturity date of February 2021. As at December 31, 2020, the outstanding balance on the Third Promissory Note was $500 (December 31, 2019: $2,000). For the year ended December 31, 2020, the Company incurred interest expenses of $125 (December 31, 2019: $71) which were recorded as finance costs.

ii) Banco ABC Brasil S.A. ("ABC Bank")

During the second quarter of 2019, the Company through Apoena, entered into a $4,068 loan agreement with ABC Bank for working capital requirements (the "Second Loan"). The Second Loan bears an annual interest rate of 6.40% with a grace period of 12 months and a maturity date of August 2021. The Second Loan was refinanced in August 2020 with a new maturity date of August 2023. Repayment of the loan will be on an installment basis that will be due every three months starting on August 2021. As at December 31, 2020, the outstanding balance of the Second Loan was $4,103 (December 31, 2019: $4,107). For the year ended December 31, 2020, the Company incurred interest expenses of $291 (December 31, 2019: $209) which were recorded as finance costs.

During the second quarter of 2019, the Company through Apoena, entered into a $2,677 loan agreement with ABC Bank for working capital requirements (the "Third Loan"). The Third Loan bears an annual interest rate of 6.4% with a grace period of twelve months and a maturity date of July 2021. On August 2020, this loan was refinanced with a new maturity date of August 2023. Repayment of the loan will on an installments basis that will be due every 3 months as of August 2021. As at December 31, 2020, the outstanding balance of the Third Loan was $2,704 (December 31, 2019: $2,708). For the year ended December 31, 2020, the Company incurred interest expenses of $183 (December 31, 2019: $74) which were recorded as finance costs.

iii) Banco Atlántida

During the second quarter of 2017, the Company through Minosa, entered into a $7,000 loan agreement with Banco Atlántida for investment capital for the development of the phase 6 heap leach project and . In May 2017, the Company drew down a balance of $4,000; and, later on in October 2017, drew down the remaining balance of $3,000. The loan bears an annual interest rate of 7.3% with a grace period of one year, a maturity date of July 15, 2023 and repaid on a monthly installment basis. As at December 31, 2020, the outstanding balance of the loan from Banco Atlántida was $4,788 (December 31, 2019: $5,949). For the year ended December 31, 2020, the Company incurred $404 of interest expenses (2019: $454) which were recorded as finance costs.

iv) Santander Brazil

During the first quarter of 2019, the Company through Apoena, entered into a $4,500 loan agreement with Banco Santander Brazil for working capital requirements. The loan bears an annual interest rate of 7.70% with a maturity date of January 2020. In the first quarter of 2020, Aura through Apoena, entered into a refinancing of the $4,500 loan agreement which resulted in a reduction of the loan annual interest rate was reduced from 7.70% to 7.18% and a new maturity date of January 2021. In the fourth quarter of 2020, Aura through Apoena, entered into a refinancing of the $4,500 loan agreement which resulted in a reduction of the loan annual interest rate that was reduced from 7.18% to 5.29% and a new maturity date of October 2023. Repayment of the loan will be on an installment basis that will be due every three months as of October 2021. As at December 31, 2020, the outstanding balance of the loan was $4,541 (December 31, 2019: $4,822). For the year ended December 31, 2020, the Company incurred interest expenses of $252 (December 31, 2019: $322) which were recorded as finance costs.

During the fourth quarter of 2020, the Company through Apoena, entered into a $3,800 loan agreement with Banco Santander Brazil for working capital requirements (the "Second Loan"). The loan bears an annual interest rate of 4.95% with a maturity date of December 2023. Repayment of the loan will be on a quarterly installment basis as of December

2021. As at December 31, 2020, the outstanding balance of the loan was $3,800 (December 31, 2019: $nil). For the year ended December 31, 2020, the Company incurred interest expenses of $nil (December 31, 2019: $nil).

During the fourth quarter of 2020, the Company through Apoena, entered into a $2,380 loan agreement with Banco Santander Brazil for working capital requirements (the "Third Loan"). The loan bears an annual interest rate of 4.05% and has a maturity date of December 2021. Repayment of the loan will be on a quarterly installment basis as of March 2021 As at December 31, 2020, the outstanding balance of the loan was $2,380 (December 31, 2019: $nil). For the year ended December 31, 2020, the Company incurred interest expenses of $nil (December 31, 2019: $nil).

v) Banco Votorantim

During the second quarter of 2019, the Company through Apoena, entered into a $3,602 loan agreement with Banco Votorantim for working capital requirements. The loan bears an annual interest rate of 6.50% with a grace period of one year and a maturity date of September 2022. The loan will be repaid on an installment basis as of September 2020 which becomes due every four months. As at December 31, 2020, the outstanding balance of the loan was $3,138 (December 31, 2019: $3,661). For the year ended December 31, 2020, the Company incurred interest expenses $229 (December 31, 2019: $59) which were recorded as finance costs.

vi) FIFOMI Credit Facility

On December 9, 2019, the Company through Aranzazu, entered into credit facility denominated in Mexican Pesos (MXN) of 69.5M or an equivalent of $3.6M USD with *Fideicomiso de Fomento Minero* ("FIFOMI") for working capital requirements. The facility bears an annual interest rate per the annual TIIE rate from the Central Bank of Mexico plus 4 bps, ending on a 11.99%, with a grace period of twelve (12) months and a maturity date of November 20, 2024. The loan is repaid on a monthly installment basis as of December 2020. As at December 31, 2020, the outstanding balance of the loan was $3,412 (December 31, 2019: $3,596). For the year ended December 31, 2020, the Company incurred interest expenses $337 (December 31, 2019: $13) which were recorded as finance costs.

vii) IXM S.A. (formerly Louis Dreyfus) ("IXM")

On March 8, 2018, the Company through Aranzazu, entered into a $20,000 loan facility (the "Facility") and an off-take agreement (the "Off-Take Agreement") with IXM for the re-start of operations and copper concentrates to be produced from its wholly-owned Aranzazu mine (the "Project") located within the Municipality of Concepción del Oro in the Northeastern region of the State of Zacatecas, Mexico.

The Facility includes a 12-month grace period and is subject to customary conditions, including but not limited to, the repayment of the Company's outstanding loan with Auramet International LLC which was repaid in full in March 2018. The Facility is guaranteed by the Company and its interests in the Project and the San Andres gold mine. The Off-Take Agreement covers 100% of the copper concentrates to be produced from the Project.

On December 12, 2019, the Company entered into an amendment whereby the facility was extended until July 31, 2021 from the original due date of March 2021. The facility bears an annual interest rate equal to one-month LIBOR plus 700 bps. The amendment stipulates as well minimum liquidity requirements for the subsidiary at all times: (i) from December 31, 2019 to February 28, 2020 not less than $1.5M; (ii) from February 29, 2020 until April 29, 2020 not less than $2M; and, (iii) from April 30, 2020 to July 31, 2021 not less than $2.5M. Additionally, the Company is to maintain liquid deposits of not less than $3M at all times for the term. Furthermore, Aranzazu has the right to make prepayments without penalty.

As at December 31, 2020, the outstanding balance of the loan from IXM was $5,873 (December 31, 2019: $15,952). For the year ended December 31, 2020, the Company incurred interest expenses of $926 (2019: $1,675) which were recorded as finance costs.

viii) Banco Itaú

During the first quarter of 2020, Aura through Apoena, entered into a $8,000 loan agreement with Banco Itau for working capital requirements. The loan bears an annual interest rate of 7.00% with a maturity date of March 2023. Repayment of the loan will be on an installments basis every six months as of March 2021.

As at December 31, 2020, the outstanding balance of the loan was $8,429 (December 31, 2019: $nil). For the twelve months ended December 31, 2020, Aura incurred interest expenses of $$429 (2019: $nil) which were recorded as finance costs.

ix) Pandion Loan

On March 27, 2020, in connection with the acquisition of the Gold Road mine, Aura assumed an outstanding loan to Pandion Mine Finance, LP of a fixed amount of $35 million, with a pre-payment provision where if Gold Road and Aura prepay the amounts prior to March 27, 2021, Gold Road and Aura would only pay $24 million. The maturity date of the loan is November 30, 2023. The loan agreement does not explicitly state an interest rate. As such, Aura, initially, determined the fair value of the loan, by considering a credit spread at the time of acquisition of 15.75% and discounted the loan amount and recognized an outstanding liability of $25,205. Refer to Note 6 for further information regarding the acquisition of the Gold Road mine.

As at December 31, 2020, the outstanding liability totaled $26,804 (December 31, 2019: $nil) as the company is repaying the loan on a monthly installment basis. For the year ended December 31, 2020, Aura incurred interest expenses of $3,099 (December 31, 2019: $nil and $nil) which were recorded as finance costs.

14 INCOME TAXES

a) Income tax (recovery) expenses

Income tax (recovery) expenses included in the consolidated statements of income for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Current income tax expense	**23,455**	9,797
Deferred income tax recovery	**(16,448)**	(18,012)
Income tax (recovery) expense	**$ 7,007**	**$ (8,215)**

The reconciliation of income taxes calculated at the applicable statutory tax rate to the income tax expense shown in these financial statements is as follows:

	2020	2019
Income before income taxes	**(75,484)**	**(16,672)**
Difference in statutory tax rates in foreign currency jurisdiction	27,341	6,552
Non-deductible expenses	3,659	1,981
Deferred tax assets not recognized in prior years but recognized in current year	(25,579)	(16,424)
Effect of foreign exchange on income taxes	747	300
Withholding taxes on distribution	2,513	1,176
Mexican royalty regime	1,549	736
indexation of losses and other	(3,223)	(2,536)
Income tax (recovery) expense	**7,007**	**(8,215)**

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. (In 2019, the increase in the deferred tax recovery was mainly due to the recognition of deferred tax asset related to carry-forward losses in Aranzazu for approximately $17,427).

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, 2020**		December 31, 2019
Deferred income tax assets	**$**	**37,475**		18,016
Deferred tax liabilities		**(10,832)**		(8,315)
	$	**26,643**	$	9,701

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

Balance, December 31, 2018	**$**	**(8,539)**
Recovered from (charged to) the statement of income		18,375
Recorded through other comprehensive income		189
Exchange differences		(324)
Balance, December 31, 2019	**$**	**9,701**
Recovered from (charged to) the statement of income		16,448
Recorded through other comprehensive income		98
Exchange differences		396
Balance, December 31, 2020	**$**	**26,643**

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

		2020		**2019**
Tax losses carried forward		**27,646**	$	18,879
Property, plant and equipment		**(13,612)**		(10,036)
Other deductible (taxable) temporary differences		**12,609**		858
Net deferred income tax assets	**$**	**26,643**	$	9,701

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) ($17,427 related to Aranzazu in 2019). 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. The losses in Aranzazu have expiration dates between 2024 and 2027, however management expected to fully utilize the losses before the expiry dates.

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 are summarized as follows:

	2020	2019
Tax losses carried forward	**$ 3,645**	$ 12,974
Provision for mine closure and restoration	**4,122**	6,224
Other deductible temporary differences	**99**	22,719
Unrecognized deferred income tax assets	**$ 7,866**	$ 41,917

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.

15 PROVISION FOR MINE CLOSURE AND RESTORATION

	December 31, 2020	December 31, 2019
Balance, beginning of the year	**$ 30,142**	$ 25,700
Accretion expense	**2,082**	2,331
Change in estimate	**7,945**	2,397
Acquisition of Gold Road (Note 6)	**133**	-
Change in estimate for properties in care and maintenance	**(857)**	(286)
Balance, end of year	**$ 39,445**	$ 30,142

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%, 4.75%, 5.81%, and 7.94% 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 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.

16 OTHER PROVISIONS

	Long-term employee benefits	Provision for judicial contingencies	Total
At December 31, 2018	**$ 6,049**	$ 511	$ 6,560
Periodic service finance cost	867	-	867
Change in provision for the year	424	(173)	251
Actuarial changes	757	-	757
Settlement during the year	(701)	-	(701)
Impact of currency transition	(126)	(10)	(136)
At December 31, 2019	**$ 7,270**	**$ 328**	**$ 7,598**
Periodic service 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 transition	(141)	-	(141)
At December 31, 2020	**$ 8,831**	**$ 707**	**$ 9,538**

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.

	2020	2019
Discount rates	**7.75%**	8.60%
Salary increase rate (administrative)	**7.50%**	7.50%
Salary increase rate (operation)	**7.50%**	7.50%
Long term inflation	**5.00%**	5.00%

17 OTHER LIABILITIES

	December 31, 2020	December 31, 2019
NSR royalty (note 17 (a))	**$ 625**	$ 1,183
Lease payment obligation (note 17 (b))	**2,943**	1,321
Total other liabilities	**3,568**	2,504
Less: current portion of other liabilities	**(2,558)**	(1,944)
	$ 1,010	$ 560

a) NSR Royalty

	December 31, 2020	December 31, 2019
Balance, beginning of the year	**$ 1,183**	$ 2,090
Accretion Expense	**16**	82
Royalty payments	**(1,199)**	(928)
Increase in NSR obligation	**625**	(61)
Balance, end of year	**625**	1,183
Less: current portion	**(625)**	(1,183)
	$ -	$ -

In 2011, the Company completed a restructuring of its contractual obligations, which resulted in the settlement of the deferred purchase consideration and the granting of a NSR Royalty equal to 1.5% on the net sales from the San Andres Mine, the Sao Francisco Mine, and the Company's former Sao Vincente Mine, commencing on March 1, 2013 and up to a cumulative royalty amount of $16,000. The liability has been recorded at its net present value using a discount rate of 5% (2019: 5%). The liability is re-measured at each reporting date, with the accretion expense and change in estimate being recorded within finance costs and other gains, respectively. In October 2020, the NSR liability was fully paid off. As of December 31 2020, a NSR liability of $232 and $393 was recognized for Gold Road and Aranzazu, respectively.

b) Lease Payment Obligation

	December 31, 2020	December 31, 2019
Balance, beginning of the period	**$ 1,321**	$ 905
Additions to lease obligation	**3,978**	890
Accretion expense	**282**	49
Lease payments	**(2,638)**	(523)
Balance, end of period	**2,943**	1,321
Less: short-term portion	**(1,933)**	(761)
	$ 1,010	$ 560

The weighted average discount rate applied to the lease liability on December 31, 2020 was 8% (December 31, 2019: 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:

	Balance at December 31, 2020	**Balance at January 1, 2020**
Short-term portion of lease liability	**(1,933)**	(761)
Long-term portion of lease liability	**(1,010)**	(560)
	(2,943)	(1,321)

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	2,197	1,043	88	3,328	2,943
	$ 2,197	**$ 1,043**	**$ 88**	**$ 3,328**	**$ 2,943**

18 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 where by: i) each issued share of the Company and ii) each issued Brazilian depositary receipt ("BDR"), representing a share of the Company, in connection with the initial primary and secondary offering in Brazil were divided into 15 issued shares and BDRs, respectively.

As a result of the share division, the 4,716,164 common shares of the Company issued and outstanding as at that date were divided into 70,742,463 common shares of the Company. The share division was approved by the board of directors at a meeting held on June 2, 2020. All information in these consolidated financial statements is presented on a post-share division basis

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, 2018	**3,281,865**	**1.35**
Granted	988,080	1.57
Exercised	(241,980)	0.70
Forfeited	(575,715)	0.79
Balance, December 31st, 2019	**3,452,250**	**1.55**
Granted	99,000	8.67
Exercised	(17,895)	1.09
Forfeited	(83,055)	1.17
Balance, December 31st, 2020	**3,450,300**	**$1.69**

As at December 31, 2020, the Company had 3,450,300 options issued and outstanding as follows:

Exercise price CAD$	Options outstanding	Options Exercisable	Remaining contractual life (years)	Expiry dates
0.94	31,800	31,800	0.31	March 21, 2021
1.64	15,900	15,900	0.47	March 21, 2021
1.57	1,951,770	650,590	5.7	June 12, 2026
1.57	1,055,580	52,005	6.02	October 5, 2026
1.35	296,250	296,250	6.07	August 26, 2026
2.00	36,000	-	7.32	January 23, 2028
15.33	36,000	-	7.87	August 11, 2028
15.33	13,500	-	9.78	October 9, 2030
15.33	13,500	-	9.79	October 12, 2030
	3,450,300	1,046,545		

Canadian Dollars (CAD$)

The fair value at grant date is independently determined using the Black-Scholes model. The model inputs for options granted during the year ended December 31, 2020 and 2019 assumed a weighted average share price for options granted of C$ 9.49 and C$ 1.49, respectively.

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 twelve months ended December 31, 2020, share-based payment expense recognized in general and administrative expense was $569 (2019: $449).

During the twelve months ended December 31, 2020, Aura granted stock options (reflecting post-share division of 15-to-1) of 99,000. (During the twelve months ended December 31, 2019, Aura had granted stock options (reflecting post-share division of 15-to-1) of 988,080, respectively.).

d) Initial Public Offering (IPO) in B3

On June 24, 2020, Aura announced that it was launching an initial primary and secondary public offering with restricted placement efforts of Brazilian depositary receipts, with each BDR representing one share of Aura. The BDRs being offered in the Offering was approved for listing on the B3 S.A. – Brasil, Bolsa, Balcão (the "B3").

The Offering consisted of (i) a primary public offering with restricted efforts of, initially, 331,033 BDRs (the "Primary Offering" and the "Primary Offering BDRs") (4,965,495 shares after 15-to-1 share division on August 26th), representing 331,033 Shares (4,965,495 shares after 15-to-1 share division on August 26th), and a secondary public offering with restricted efforts of, initially, 626,090 BDRs by a certain shareholder of the Company (the "Base Offering Selling Shareholder") (the "Secondary Offering" and the "Secondary Offering BDRs", and the Primary Offering, together with the Secondary Offering, the "Base Offering", and the Primary Offering BDRs, together with the Secondary Offering BDRs, the "Base Offering BDRs") (9,391,350 shares after 15-to-1 share division on August 26th), representing 626,090 Shares (9,391,350 shares after 15-to-1 share division on August 26th), on the non-organized over-the-counter market, exclusively to "professional investors", as defined by the local regulation.

The number of Base Offering BDRs was increased by 6,430 BDRs (96,450 shares after 15-to-1 share division on August 26th) offered by a certain individual shareholder of Aura, under the same conditions and at the same price of the Base Offering BDRs (the "Additional BDRs").

In addition to the additional BDRs, the number of the Base Offering was increased by $88,268 BDRs, of which 30,529 BDRs were allocated by the company (the "Primary Over-Allotment BDRs") and 57,739 BDRs are to be offered by the Base Offering Selling Shareholder (the "Secondary Over-Allotment BDRs" and together with the primary Over-Allotment BDRs, the "Over-Allotment BDRs"), under the same conditions and at the same price of the Base Offering BDRs, pursuant to an option granted by the company and the Base Offering Selling Shareholder to the Brazilian Underwriter that acted as the stabilization agent, for the purpose of the services stabilization of the price of the BDRs in connection with the Offering.

The total gross amount of the Base Offering BDRs and the Additional BDRs were R$790,113 (equivalent toUSD$ 148,859). The total gross amount of the Over-Allotment BDRs was R$72,380 (equivalent to USD$ 13,335).

Gross proceeds to Aura from the Primary Offering were R$271,447 (equivalent to USD$ 51,141) before deducting the underwriting discount and estimated Offering expenses. Gross proceeds to the Company from the Primary Over-

Allotment BDRs were R$25,034 (equivalent to USD$ 4,612), before deducting the underwriting discount and estimated Offering expenses.

On July 7, 2020, Aura issued 331,033 BDRs (4,965,495 after 15-to-1 share split on August 26th) and received funds of BRL 256,316 (equivalent to USD$ 47,860), net of underwriter, depositary agent and other commissions and fees. On August 6, 2020, Aura issued 30,529 BDRs (457,935 after 15-to-1 share split on August 26th) and received funds of BRL 23,648 (equivalent to USD$ 4,340), net of underwriter, depositary agent and other commissions and fees. The total amount of net proceeds received are $52,200, which is reflected within the consolidated statement of cash flows. Additionally, due to the transaction, Aura incurred in expenses directly attributable to the issuance of the new equity instruments for $3,462, which were capitalized and deducted from the capital increase. This is represented on the consolidated statements of changes in equity, resulting in a net amount received of $48,737.

19 NET REVENUE

		2020		2019
Gold Revenue	**$**	**219,332**	$	158,524
Copper & Gold Concentrate Revenue		**88,074**		70,705
Other		**(7,532)**		(3,027)
	$	**299,874**	$	226,202

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 3 clients and management continuously monitors the relationship with them.

20 COST OF GOODS SOLD BY NATURE

		2020		2019
Direct mine and mill costs	**$**	**155,186**	$	155,597
Depletion and amortization		**22,806**		22,344
	$	**177,992**	$	177,941

The direct mine and mill costs include employee benefits of $87,826 and $77,220 for the year ended on December 31, 2020 and 2019.

In December 2020, Aura settled a loss of claim related to the disrupted operations and temporary mine closures that occurred in prior years at the San Andres mine whereby, Minosa, through Aura, was granted insurance reimbursement monies of $2.6 million. As these monies were related to the operations of the mine, these were reflected above as an offset to cost of goods sold. Subsequent to year end, in the first quarter of 2021, the company received payments for the full $2.6M related to the insurance reimbursement.

21 GENERAL AND ADMINISTRATIVE EXPENSES

		2020		2019
Salaries, wages and benefits	**$**	**6,193**	$	5,434
Professional and consulting fees		**3,814**		3,106
Legal, Filing, listing and transfer agent fees		**1,591**		127
Insurance		**1,688**		914
Directors' fees		**1,179**		168
Occupancy cost		**53**		178
Merger and acquisition		**366**		-
Travel expenses		**251**		530
Share-based payment expense		**594**		449
Depreciation and amortization		**20**		26
Lease depreciation expense		**119**		102
Other		**2,568**		826
	$	**18,436**	$	11,860

The Merger and acquisition category of General and Administrative expense represent the costs incurred in relation to the acquisition of the Gold Road mine.

Professional and consulting fees include mainly professional and audit fees related to the increased obligations and requirements as a result of the IPO, including the obligation of quarterly review reports and expenses related to the secondary offering (Note 18 (b)).

Legal, listing and transfer agent fees are mainly related to the secondary offering (*Note 18(b)*) and general legal advice related to securities laws, including consultancy for share split, Company's general meeting and other legal advice.

Insurance amounts are primarily related to the Property & Business interruption coverages, as result of increases in production and revenues and to the acquisition of Gold Road. In addition, increase in D&O premiums, which increased as a result of higher market value of the Company, dual listing and general market conditions of the insurance market.

The director’s fees include the revaluation of the outstanding in-the-money DSUs based upon the Company’s share price ended December 31, 2020.

”Other” includes general expenses, such as expenses incurred related to COVID-19 materials and supplies.

22 CARE AND MAINTENANCE EXPENSES

		2020		2019
Aranzazu mine	**$**	**2**		-
Rio Novo projects		**714**		253
EPP Projects		**743**		1,270
Gold Road		**135**		-
	$	**1,594**	$	1,523

23 EXPLORATION EXPENSES

		2020		2019
San Andres mine	**$**	**1,065**	$	242
EPP projects		**3,671**		3,005
Aranzazu mine		**475**		278
Gold Road		**179**		-
	$	**5,390**	$	3,525

24 FINANCE COSTS

		2020		2019
Accretion expense	**$**	**1,238**	$	2,333
Lease interest expense (note 17(b))		**282**		49
Interest expense on debts (note 13)		**6,342**		2,962
Finance cost on post-employment benefit		**656**		867
Other interest and finance costs		**762**		1,591
	$	**9,280**	$	7,802

The increase in interest expense on debts within the twelve months in 2020 includes the interest expense accrued on the Pandion debt for Gold Road in the amount of $3,099 (Note 13 (ix)).

25 OTHER GAINS (LOSSES)

		2020		2019
Net loss on call options and fixed price contracts - Gold	**$**	**(7,391)**	$	(4,728)
Net loss on call options - Copper		**(1,375)**		-
Net loss on foreign currency derivatives		**(6,032)**		(416)
Gain on FV Option of Pandion Debt		**3,223**		-
Foreign exchange loss		**(2,358)**		(2,258)
Gain (loss) on FV change of MVV Promissory note receivable		**2,480**		-
Other items		**(245)**		523
	$	(11,698)	$	(6,879)

The net loss on call/put options and fixed price contracts for gold increased for the twelve months in 2020 due to the fact that gold market prices increased in 2020. Thus, Aura incurred realized and unrealized losses with derivatives (zero cost collars and forwards).

The net gain (loss) on foreign currency derivatives and the foreign exchange gain (loss) increased during the year ended on December 31, 2020 due to the fact that there was a significant devaluation of the Brazilian Reais against the US Dollar.

26 CASH FLOW INFORMATION

a) Items not affecting cash

		2020		2019
Deferred and current income tax (recovery) expense	**$**	**8,950**	$	(9,543)
Depletion and amortization (note 11)	**$**	**22,826**		22,370
Accretion expense (note 24)	**$**	**2,380**		2,462
Periodic service, past service and finance costs on post-employment benefit	**$**	**1,266**		1,291
Share-based payment expense (note 18(c))	**$**	**594**		449
Change in estimate of provision for mine closure and restoration	**$**	**(860)**		(286)
Foreign exchange loss	**$**	**2,357**		1,833
(Gain)/loss on FV change of Serrote Promissory Note (note 10)	**$**	**(2,480)**		-
(Gain)/loss on disposal of assets	**$**	**(716)**		109
Unrealized loss on call option and fixed price contracts	**$**	**(71)**		(679)
Unrealized (gain) on FV Option of Pandion Debt	**$**	**(3,222)**		-
Interest expense on debt	**$**	**6,284**		2,962
Other non-cash items	**$**	**1,004**		(234)
	$	**38,311**	$	20,734

b) Changes in working capital

		2020		**2019**
Increase in trade and other receivables	**$**	**(10,122)**	$	(9,915)
(Increase) decrease in inventory		**(10,245)**		883
Increase in trade and other payables		**17,285**		1,350
	$	**(3,082)**	$	(7,682)

c) Supplementary cash flow information

		2020		2019
Changes in other assets and liabilities consists of:				
Decrease in long term asset	**$**	**2,030**	$	1,237
Increase in other current assets		**(5,820)**		(519)
Increase in other items		**(260)**		(742)
	$	**(4,050)**	$	(24)

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

		2020		2019
Non-cash addition to property, plant and equipment	**$**	**11,589**	$	4,192
Dividends declared payable	**$**	-	$	3,044

e) Debt reconciliation

	Terms Loans	Working Capital Facility Payable	Total
Balance as at January 1, 2019	29,167	1,434	30,601
Changes from Financing cash flows:			
Repayment of short terms loans	(771)	(1,462)	(2,233)
Repayment of Rio Novo Promissory Note	(758)	-	(758)
Repayment of Banco Atlantida	(365)	-	(365)
Repayment of Banco ABC Brasil 1st Loan	(1,165)	-	(1,165)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan	(4,167)	-	(4,167)
Loan Repayments	**(7,226)**	**(1,462)**	**(8,688)**
Proceeds received from Santander Brasil	4,500	-	4,500
Proceeds received from Banco ABC Brasil	6,745	-	6,745
Proceeds received from FIFOMI	3,596	-	3,596
Proceeds received from Votorantim	3,602	-	3,602
Proceeds received from Banco Occidente 3rd Note	2,000	-	2,000
Loan Proceeds	**20,443**	**-**	**20,443**
Interest paid on debts	(2,364)	(28)	(2,364)
	40,020	-	39,992
Other Changes:			
Interest Expenses on Debts	2,934	28	2,962
Balance as at December 31, 2019	**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)
Loan Repayments	**(14,910)**	**-**	**(14,910)**
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
Loan Proceed	**14,180**	**-**	**14,180**
Interest paid on debts	(3,176)	-	(3,176)
	64,253	-	64,253
Other Changes:			
Interest Expenses on Debts	6,284	-	6,284
FX Devaluation of MXN Pesos - FIFOMI	(111)	-	(111)
Balance as of December 31, 2020	**70,426**	**-**	**70,426**

27 FINANCIAL INSTRUMENTS

In accordance with IFRS 9, the Company records the fair value of the fixed price contracts instruments 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 in section (h) below, these derivatives are considered as Level 2 investments.

a) Fixed price contracts

During the twelve months ended December 31, 2020, Aura entered into fixed price contracts to hedge 9,000 ounces of gold expiring between April 30, 2020 and December 30, 2020 at an average price of $1,868 per ounce of gold. For twelve months ended December 31, 2020, Aura has recorded a realized loss of $2,114.

At December 31, 2020, Aura had no outstanding fixed price contracts.

b) Put/Call option contracts

i) Gold

Corporate

During the twelve months ended December 31, 2020, Aura entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 17,500 ounces with floor prices between $1,440 and $1,720 (average strike price of $1,600) and ceiling prices between $1,555 and $2,120 (average strike price of $1,764) per ounce of gold expiring between March 31, 2020 and December 31, 2020. For twelve months ended December 31, 2020, Aura has recorded a realized loss of $4,578.

As of December 31, 2020, Aura did not have any outstanding put/call option positions.

During the twelve months ended December 31, 2019, the Company has entered zero cost put/call collars, in a total of 88,000 ounces with floor prices between $1,260 and $1,490 (average strike price of $1,339) and ceiling prices between $1,310 and $1,700 (average strike price of $,1452) per ounce of gold expiring between March 29, 2019 and July 31, 2020. For the twelve months ended December 31, 2019, the Company has recorded a realized loss of $3,632.

As of December 31, 2019, there were 24,500 ounces with floor prices between $1,350 and $1,480 (average strike price of $1,415) and ceiling prices between $1,475 and $1,700 (average strike price of $1,567) per ounce of gold expiring between January 31, 2019, and July 31, 2020. As of December 31, 2019, the Company recorded a derivative liability on these outstanding options of $ 126.

Aranzazu

During the twelve months ended December 31, 2020, Aura, through Aranzazu, entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 15,012 ounces with floor prices between $1,460 and $1,783 (average strike price of $1,659) and ceiling prices between $1,720 and $2,155 (average strike price of $1,925) per ounce of gold expiring between February 1, 2020 and April 31, 2021. As of December 31, 2020, there were 4,454 ounces with floor prices between $1,700 and $1,783 (average strike price of $1,732) and ceiling prices between $2.005 and $2,029 (average strike price of $2,014) per ounce of gold expiring between January 1, 2021 and April 31, 2021. For the twelve months ended December 31, 2020, the Company has recorded a realized loss of $789.

As of December 31, 2020, Aura has recorded a derivative liability on these outstanding options of $nil.

During the twelve months ended December 31, 2019, Aura, through Aranzazu, entered into zero-cost put/call collars

intermediated by several financial institutions,, in a total of 10,640 ounces with floor prices between $1,350 and $1,450 (average strike price of $1,402) and ceiling prices between $1,516 and $1,600 (average strike price of $1,561) per ounce of gold expiring between August 1, 2019 and July 31, 2020. As of December 31, 2019, there were 4,740 ounces with floor prices between $1,350 and $1,450 (average strike price of $1,429) and ceiling prices between $1,516 and $1,600 (average strike price of $1,570) per ounce of gold expiring between January 1, 2020 and July 31, 2020. For the twelve months ended December 31, 2019, there were no recorded realized gains or losses.

As of December 31, 2019, Aura has recorded a derivative liability on these outstanding options of $1.

ii) Copper

<u>*Aranzazu*</u>

During the twelve months ended December 31, 2020, Aura, through Aranzazu, entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 18,334.75 pounds with floor prices between $2.3002 and $2.9003 (average strike price of $2.5860) and ceiling prices between $2.4294 and $4.1195 (average strike price of $2.7301) per pound of copper expiring between January 22, 2020 and March 31, 2021. As of December 31, 2020, there were 6,191.91 ounces with floor prices between $2.7900 and $2.9003 (average strike price of $2.8591) and ceiling prices between $3.4441 and $4.1195 (average strike price of $3.8673) per ounce of gold expiring between January 1, 2021 and March 31, 2021. For the twelve months ended December 31, 2020, the Company has recorded a realized loss of $1, 219.

As of December 31, 2020, Aura recorded a derivative liability on these outstanding options of $155.

During the twelve months ended December 31, 2019, Aura, through Aranzazu, entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 12,004.97 pounds with floor prices between $2.5002 and $2.6000 (average strike price of $2.5150) and ceiling prices between $2.6708 and $2.9978 (average strike price of $2.7974) per pound of copper expiring between June 1, 2019 and December 31, 2019. As of December 31, 2020, there were 4,754.97 ounces with floor prices between $2.5002 and $2.6000 (average strike price of $2.5266) and ceiling prices between $2.6708 and $2.9978 (average strike price of $2.8420) per ounce of gold expiring between January 1, 2020 and July 31, 2020. For the twelve months ended December 31, 2019, there were no recorded realized gains or losses.

As of December 31, 2019, Aura recorded a derivative liability on these outstanding options of $144.

iii) BRL currency derivatives

<u>Corporate</u>

During the twelve months ended December 31, 2020, there were zero-cost put/call collars intermediated by several financial institutions, in a total of $9.55 million USD with a floor between BRL 4.02 and BRL 5.15 (average strike price of BRL 4.35) and a ceiling between BRL 4.05 and BRL 5.3325 (average strike price of BRL 4.45) expiring between January 2, 2020 and November 30, 2020. For the twelve months ended December 31, 2020, there were recorded realized losses of $2,701.

As of December 31, 2020, there were no outstanding zero-cost put/call collars for BRL currency derivatives.

During the twelve months ended December 31, 2019, the there were zero-cost put/call collars intermediated by several financial institutions, in a total of $7.3 million USD with a floor between BRL 3.77 and BRL 4.20 (average strike price of BRL 4.01) and a ceiling between BRL 3.85 and BRL 4.19 (average strike price of BRL 4.09) expiring between January 2, 2020 and October 29, 2020. For the twelve months ended December 31, 2019, there were recorded realized losses of $151.

As of December 31, 2019, Aura recorded a derivative liability on some of the outstanding fixed price contracts of $64 and a derivative asset on some of these outstanding fixed price contracts of $62.

c) Non-delivery forwards

i) BRL currency derivatives

Brazil

During the twelve months ended December 31, 2020, there were non-delivery forwards for BRL currency derivatives, intermediated by several financial institutions, in a total of $26.3 million USD with a range between BRL 4.003 and BRL 5.133 (average strike price of BRL 4.33) expiring between January 2, 2020 and October 22, 2020. For the twelve months ended December 31, 2020, there were recorded realized losses of $3,433. As of December 31, 2020, there were no non-delivery forwards for BRL currency derivatives.

As of December 31, 2019, there were no non-delivery forwards for BRL currency derivatives.

d) Credit risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial contract. The Company's credit risk is limited to trade receivables, derivative contracts, and the short-term investments in bonds in the ordinary course of business. As of December 31, 2020, the Company considers the credit risk with these financial contracts to be low.

e) 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:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	72,892	-	-	-	**72,892**
Derivative financial liabilities	156	-	-	-	**156**
Short-term & Long-term debt	28,485	41,140	801	-	**70,426**
Provision for mine closure and restoration	-	8,647	9,280	21,518	**39,445**
Other liabilities and Leases	2,558	1,010	-	-	**3,568**
	104,091	**50,797**	**10,081**	**21,518**	**186,487**

As of December 31, 2020, Aura has cash and cash equivalent of $117,778 and working capital of $97,767 (current assets, excluding restricted cash, less current liabilities)

e) Currency risk

Aura's operations are located in Honduras, Brazil, México, and the United Stated; 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, 2020, the Company had cash and cash equivalents of $117,779, of which, $103,360 were in United States dollars, $167 in Canadian dollars, $12,612 in Brazilian reais, $1,550 in Honduran lempiras, $84 in Mexican pesos and $6 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 $1,442.

f) Interest rate risk

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

For the year ended December 31, 2020, an increase or decrease in interest rates of 100 basis points (1 percent) would have increased consolidated income and comprehensive income for the year by $783. A decrease in interest rates of 100 basis points (1 percent) would have decreased the income and comprehensive income for the year by $783.

For the year ended December 31, 2020, an increase or decrease in interest rates of 100 basis points (1 percent) for the Mexican borrowing with one-month LIBOR plus 7% would have increased consolidated income and comprehensive income for the year by $109. A decrease in interest rates of 100 basis points (1 percent) would have decreased the income and comprehensive income for the year by $109.

For the year ended December 31, 2020, an increase or decrease in interest rates of 100 basis points (1 percent) for the

Mexican borrowing with Mexican TIEE + 4.2% would have increased consolidated income and comprehensive income for the year by $35. A decrease in interest rates of 100 basis points (1 percent) would have decreased the income and comprehensive income for the year by $35.

g) Commodity price risk

Aura is subject to price risk from fluctuations in market prices of gold, copper and other metals. Gold, copper and other metal prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control.

The profitability of the Company's operations is highly correlated to the market prices of these metals, as is the ability of the Company to develop its other properties.

A 10% change in the average commodity price for gold for the year, with all other variables held constant, would result in an impact on the Company’s 2020 consolidated net income and comprehensive income of $21,181. A 10% change in the average commodity price for copper for the year, with all other variables held constant, would result in an impact on the Company’s 2020 consolidated net income and comprehensive income of $8,807.

h) Fair value of financial instruments

The fair value of the Company’s financial assets and liabilities measured at fair value on a recurring basis at December 31, 2020 and 2019 are summarized in the following table:

	Level	Financial instrument Classification	**December 31, 2020**		**December 31, 2029**	
			Carrying value	**Fair value**	Carrying value	Fair value
Assets						
Cash and cash equivalents	N/A	Amortized Cost	**$117,778**	**$117,778**	$ 38,870	$ 38,870
Value added taxes	N/A	Amortized Cost	**36,278**	**36,278**	33,461	33,461
Other receivable	N/A	Amortized Cost	**5,345**	**5,345**	541	541
Promissory Note Mineração Vale Verde (MVV) (note 10)	3	Fair Value	**10,000**	**2,480**	10,000	-
Fair value of debt option - Pandion	2	Fair Value	**8,268**	**8,268**	856	856
Other assets (less MVV Promissory note)	N/A	Amortized Cost	**874**	**874**	856	856
			178,543	**171,023**	83,728	73,728
Financial Liabilities						
At fair value through profit and loss						
Derivative liabilities	2	Fair Value	**156**	**156**	227	227
Other financial liabilities						
Accounts payable and accrued liabilities	N/A	Amortized Cost	**72,892**	**72,892**	56,992	56,992
Short-term loans	N/A	Amortized Cost	**28,485**	**28,485**	22,104	22,104
Long-term loans	N/A	Amortized Cost	**41,941**	**41,941**	20,850	20,850
Other liability	3	Fair Value	**625**	**625**	1,183	1,183

Aura 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, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are: Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, which are inputs other than Level 1 quotes prices

that are observable for the asset or liability, either directly or indirectly; and Level 3, which are inputs for the asset or liability that are not based on observable market data.

Aura 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.

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.

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 dividends for an amount of $3,044.

On June 22, 2020, Aura's board of directors has 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 starting in 2021, 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.

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 year ended December 31, 2020 and 2019 are as follows:

		2020		2019
Salaries and short-term employee benefits	**$**	**3,308**	$	2,417
Share-based payments		**569**		432
Directors' Fees		**1,179**		168
Termination benefits		**84**		348
	$	**5,140**	$	3,365

Director's fees

Management has issued 189,795 deferred stock units (DSUs) to certain directors and former directors of the company. The DSUs are recognised 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 beneficiated from Apoena (the "Subject Metals") sold or deemed to have been sold by or for Apoena. Effective as at such time as Apoena has paid the Royalty on up to 1,000,000 troy ounces of the Subject Metals, the Royalty shall without the requirement for any further act or formality, reduce to 1.0% of Net Smelter Returns on all Subject Metals sold or deemed to have been sold by or for Apoena.

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with 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 $2,411 in the twelve months of the 2020 year and has a liability outstanding of $287 at December 31, 2020.

Promissory Note for Rio Novo

On completion of the Merger with Rio Novo, the Company assumed the obligations of the demand promissory notes issued by Rio Novo in favor of Northwestern (see *Note 13* above).

Royalty Agreement for Rio Novo

The Company, through its wholly owned subsidiary Rio Novo, 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.

30 SEGMENTED INFORMATION

The reportable operating segments have been identified as the San Andres Mine, EPP Mines, the Aranzazu Mine, Corporate, Rio Novo Projects 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.

For the year ended December 31, 2020 and 2019, segmented information is as follows:

	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Gold Road	Almas, Matupa & Tolda Fria Projects (1)	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	0	(743)	(2)	-	(135)	(714)	(1,594)
Exploration expenses	(1,065)	(3,671)	(475)	-	(179)	-	(5,390)
Operating income/(loss)	**37,984**	**50,229**	**21,361**	**(10,937)**	**(1,361)**	**(814)**	**96,462**
Finance costs	(2,555)	(1,583)	(1,847)	(45)	(3,247)	(3)	(9,280)
Net loss on call options and fixed price contracts - Gold	(794)	(1,321)	(789)	(4,487)	-	-	(7,391)
Net loss on call options - Copper	-	-	(1,375)	-	-	-	(1,375)
Net loss on foreign currency derivatives	-	(3,433)	-	(2,599)	-	-	(6,032)
Foreign exchange (loss) gain	(264)	(2,241)	80	99	-	(32)	(2,358)
Other items	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	**$ 8,988**	**$ 14,328**	**$ 16,626**	**-**	**$ 10,420**	**$ 1,614**	**$ 51,976**

(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.

For the year ended December 31, 2019	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Almas, Matupa & Tolda Fria Projects(1)	Total
Sales to external customers	$ 79,586	$ 75,911	$ 70,705	$ -	$ -	$226,202
Cost of production	53,766	52,689	49,142	-	-	155,597
Depletion and amortization	6,732	8,663	6,949	-	-	22,344
Gross margin	19,088	14,559	14,614	-	-	48,261
General and administrative expenses	(631)	(1,869)	(2,295)	(7,035)	(30)	(11,860)
Care-and-maintenance expenses	-	(1,270)	-	-	(253)	(1,523)
Exploration expenses	(242)	(3,005)	(278)	-	-	(3,525)
Operating income/(loss)	18,215	8,415	12,041	(7,035)	(283)	31,353
Finance costs	(2,674)	(1,350)	(3,751)	(23)	(4)	(7,802)
Net loss on call options and fixed price contracts - Gold	(1,155)	(721)	(40)	(2,812)	-	(4,728)
Net gain on call options - Copper	-	-	-	-	-	-
Net gain (loss) on foreign currency derivatives	-	(163)	-	(253)	-	(416)
Foreign exchange (loss) gain	(509)	(3,250)	(440)	1,874	67	(2,258)
Other expenses	55	10	290	168	-	523
Income (loss) before income taxes	13,932	2,941	8,100	(8,081)	(220)	16,672
Current income tax (expense)	(5,883)	(2,794)	(1,456)	(28)	364	(9,797)
Deferred income tax (expense) recovery	613	-	18,241	-	(842)	18,012
Income (loss) for the year	$ 8,662	147	$ 24,885	$ (8,109)	$ (698)	$ 24,887
Property, plant and equipment	$ 40,269	$ 27,591	$ 91,309	$ 145	$ 53,182	$212,496
Total assets	$ 74,866	$ 78,028	$ 130,376	$ 13,910	$ 53,329	$350,509
Capital expenditures	$ 2,597	$ 5,293	$ 16,926	$ -	$ 974	$ 25,790

(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, 2020		December 31, 2019
Within one year	**$**	**171**	$	501
Two to Four years		**8**	$	208
	$	**179**	$	709

b) Contingencies

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, 2020 is a provision of $707 (2019: $328) 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 years ended December 31:

		December 31, 2020		December 31, 2019
Income for the year	**$**	**68,477**	$	24,887
Weighted average number of shares outstanding - basic		**67,912,271**		65,294,719
Weighted average number of shares outstanding - diluted		**69,148,606**		65,915,914
Total net income per share - basic	**$**	**1.01**	$	0.38
Total net income per share - diluted	**$**	**0.99**	$	0.38

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:

Trafigura advance payment

In February 2021, Trafigura México, S.A. de C.V agreed to make an advance payment of $6,000 to Aranzazu Holdings Ltda, 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.