Aura Minerals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THREE MONTHS ENDED MARCH 31, 2018

Dated as of May 15, 2018

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This management's discussion and analysis ("MD&A") should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited condensed consolidated financial statements for the three months ended March 31, 2018 and 2017 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with the most recent Annual Information Form ("AIF") dated March 26, 2018 as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at *www.sedar.com*. This MD&A has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three months ended March 31, 2018.

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

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

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

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

1. BACKGROUND AND CORE BUSINESS

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

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

- *The San Andres Gold Mine ("San Andres")* – an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, approximately 150 km southwest of the city of San Pedro Sula.

- *The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP")* – located in the southwest of Mato Grosso state, near Pontes e Lacerda in Brazil which consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto underground deposit, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ") and the near mine open-pit prospects of Nosde, Japonês and Pombinhas.

- *The Aranzazu Copper Mine ("Aranzazu")* – an open-pit and underground mine operation in the state of Zacatecas, Mexico which is currently on care-and-maintenance however the Company is completing a comprehensive technical study to enable a re-start.

- *The São Francisco Gold Mine ("São Francisco")* – an open-pit heap leach gold mine located in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Mining at São Francisco was suspended in October 2016 however the Company is conducting an exploration program at São Francisco to determine if a re-start of the mine is feasible.

- *The Almas Gold Project* ("Almas") – a permitted for construction gold project located in the state of Tocantins, Brazil. The Almas Gold Project consists of three deposits (Paiol, Vira Saia and Cata Funda) and several exploration targets including: Nova Prata/Espinheiro, Jacobina and Morro do Carneiro. Of these, only the three deposits have seen significant exploration work.

- *The Matupá Gold* Project ("Matupa") – consists of one deposit (the X1 deposit) and several exploration targets (the Matupá, Guarantã Ridge, V4, V5, V6, and Fuscão targets).

- *The Tolda Fria Gold Project ("Tolda Fria")* – located in Caldas State, Colombia.

1. A cautionary note regarding non-GAAP measures is included in Section 16 of this MD&A

2. FIRST QUARTER 2018 FINANCIAL AND OPERATING HIGHLIGHTS[1]

- Income of $11,280 or $0.31 per share for the three months ended March 31, 2018 (first quarter) compared to income of $(5,023) or $(0.15) per share for the first quarter of 2017.

Three months ended March 31	2018	2017
FINANCIAL DATA		
IFRS Measures		
Revenue	**$ 45,023**	$ 34,902
Cost of goods sold	**37,211**	29,589
Depreciation (included in cost of goods sold)	**4,062**	2,774
Gross Margin	**7,812**	5,313
Gross Margin (excluding depreciation)	**11,874**	8,087
Net income (loss)	**$ 11,280**	$ (5,023)
Income (loss) per share - Basic and diluted	**$ 0.31**	$ (0.15)
EBITDA	**6,863**	4,024
Non-IFRS Measures		
Realized average gold price per ounce sold, gross[1]	**$ 1,288**	$ 1,209
Realized average gold price per ounce sold, net of local sales taxes, hedging and gold loan repayments[1]	**$ 1,239**	$ 1,135
Cash operating costs per ounce produced[1]	**$ 865**	$ 849
Cash operating costs per ounce sold[1]	**$ 951**	$ 891
All-in costs per ounce sold[1]	**$ 1,115**	$ 1,135
Total capital expenditures	**$ 5,189**	$ 2,915
OPERATING DATA		
Ore processed (tonnes)	**2,069,335**	2,070,153
Gold produced (ounces)	**32,793**	30,318
Gold sold (ounces)	**34,845**	30,082

- Net sales revenue in the first quarter of 2018 increased by 29.0% over the first quarter of 2017. Details are as follows:

Three months ended March 31	2018	2017
Ounces sold		
San Andres	**19,625**	21,796
Brazilian Mines	**15,220**	8,286
Total ounces sold	**34,845**	30,082
Gold sales revenues, *net of local sales taxes*	**$ 45,023**	$ 34,902
Average gold market price per oz (London PM Fix)	**$ 1,329**	$ 1,219
Realized average gold price per ounce sold, *gross*	**$ 1,288**	$ 1,209
Realized average gold price per ounce sold, *net of local sales taxes, hedging and gold loan repayments*[1]	**$ 1,239**	$ 1,135

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- Gold production for the first quarter of 2018 was 12% higher than the comparable period of 2017, including the production from Pau-a-Pique. Gold production and cash operating costs per ounce produced[1] for the three months ended March 31, 2018 and 2017 were as follows:

Three months ended March 31	**2018**		2017	
	Oz Produced	**Cash Operating Costs[1]**	Oz Produced	Cash Operating Costs[1]
San Andres	**20,348**	**$ 837**	21,481	$ 783
Brazilian Mines	**13,627**	**$ 907**	8,837	$ 1,012
Total / Average	**33,975**	**$ 865**	30,318	$ 849

- During the first quarter of 2018, cash operating costs per ounce produced[1] were 1.9% higher, compared to the same period in 2017, due to decreased costs associated with the Brazilian Mines due to more stable production in the first quarter of 2018, in comparison with the ramp-up of Lavrinha and Pau-a-Pique in the same period of 2017, offset by increased costs primarily from San Andres due to lower production and a price increase of cyanide.

Additional 2018 First Quarter Highlights

- On March 2, 2018 the Company completed the previously announced merger with Rio Novo Gold Inc. ("Rio Novo"). *Refer to Section 9, Transactions with Related Parties.*

- On March 8, 2018 the Company, through its wholly-owned subsidiary, Aranzazu Holding S.A. de C.V. ("Aranzazu Holding") entered into a $20,000 loan facility (the "Facility") and an off-take agreement (the "Off-Take Agreement") with Louis Dreyfus Company Metals ("LDC Metals") for the re-start of operations and copper concentrates to be produced from its wholly-owned Aranzazu mine. *Refer to Section 7, Liquidity and Capital Resources*.

- On March 22, 2018, the Company completed the sale of its wholly-owned subsidiary, Mineração Vale Verde Ltda. ("MVV") which owns the Serrote da Laje Project ("Serrote") for $40,000.

- On March 28, 2018 the Company and its Brazilian subsidiary, Mineração Apoena S.A. ("Apoena"), entered into an agreement with Yamana Gold Inc. ("Yamana") and Serra da Borda Mineração e Metalurgia S.A. ("SBMM") to extend the repayment of the $9,000 working capital facility to quarterly repayment dates ending on March 29, 2019. *Refer to Section 7, Liquidity and Capital Resources*.

- On March 30, 2018 the Company prepaid the remaining balance on the $9,000 loan received from Auramet International LLC. *Refer to Section 7, Liquidity and Capital Resources*.

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3. OUTLOOK AND STRATEGY

The Company's gold production and cash cost per ounce[1] guidance for 2018 is unchanged and is detailed below:

	Ounces produced		Cash operating costs per ounce produced[1]		Capital expenditures ($'000)	
Gold Mines	**Low**	**High**	**Low**	**High**	**Low**	**High**
San Andres	75,000	90,000	$750	$960	10,000	15,000
EPP Project	55,000	70,000	$781	$934	4,200	6,500
Total	**130,000**	**160,000**	**$763**	**$949**	**14,200**	**21,500**

Aranzazu

The Company is working towards completing the necessary steps to enable the restart of operations at the Aranzazu mine including but not limited to: (i) completing a comprehensive technical study covering key areas of the project such as geology and resource estimates, mining plan and reserves, process engineering, metallurgy, OPEX and CAPEX as well as the associated financial modelling; and (ii) hiring experienced and highly qualified personnel.

On March 8, 2018, Aranzazu Holding entered into the Facility and Off-Take Agreement with LDC Metals. Subsequent to March 31, 2018 and as at the date of this MD&A, $8,000 has been drawdown on the Facility. The Facility includes a 12-month grace period and is guaranteed by the Company and its interests in Aranzazu and the San Andres mine. The Off-Take Agreement covers 100% of the copper concentrates to be produced from Aranzazu.

Strategy

The Company's strategy is to generate value through a reduction of cash costs, a continuous performance improvement of our operating assets to gain efficiencies and unlocking value from projects and care-and-maintenance assets. The Company has taken considerable steps to following through on the Company's strategy including but not limited to: (i) obtaining in-country debt in the areas that we operate to reduce cost and gain efficiencies; (ii) focusing on continual improvement; and (iii) ensuring that each operating entity is self-funded and not reliant on any other entity (other than with respect to a start-up / pre-commercial production phase).

The Company is conducting exploration activities at São Francisco to evaluate a potential re-start of the mine.

Key Factors

The Company's future profitability, operating cash flows and financial position will be closely related to the prevailing prices of gold and copper. Key factors influencing the price of gold and copper include, but are not limited to, the supply of and demand for gold and copper, the relative strength of currencies (particularly the United States dollar) and macroeconomic factors such as current and future expectations for inflation and interest rates. Management believes that the short-to-medium term economic environment is likely to remain relatively supportive for commodity prices but with continued volatility.

To decrease risks associated with commodity prices and currency volatility, the Company will continue to evaluate and implement available protection programs. For additional information on this, please refer to the AIF.

Other key factors influencing profitability and operating cash flows are production levels (impacted by grades, ore quantities, process recoveries, labor, plant and equipment availabilities) and production and processing costs (impacted by production levels, prices and usage of key consumables, labor, inflation, and exchange rates).

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4. REVIEW OF MINING OPERATIONS

San Andres, Honduras

The table below sets out selected operating information for San Andres for the three months ended March 31, 2018 and 2017:

Three months ended March 31	**2018**	2017
Ore mined (tonnes)	**1,788,693**	1,705,028
Waste mined (tonnes)	**1,162,388**	1,362,030
Total mined (tonnes)	**2,951,081**	3,067,058
Waste to ore ratio	**0.65**	0.80
Ore plant feed (tonnes)	**1,786,620**	1,724,503
Grade (g/tonne)	**0.46**	0.41
Recovery (%)	**76.1%**	94.0%
Production (ounces)	**20,348**	21,481
Sales (ounces)	**19,625**	21,796
Average cash cost per ounce of gold produced[1]	**$ 837**	$ 783

During the first quarter of 2018 compared to the same period of 2017, summarized results for San Andres are as follows:

- total ore and waste mined was 4% lower:
  - ore mined was 5% higher due to good availability and throughput of the crushing and stacking system
  - waste mined was 15% lower due to a delay in entering new areas of the concession due to extended socialization with the local community

- gold production decreased by 5% due to:
  - lower recovery which is attributed primarily to the stacking cycle which is high on the heap resulting in slower return to the recovery plant
  - less secondary leaching

- ore grade was 12% higher due to a difference in the current block model and mining in different areas containing higher grade

- cash operating cost per ounce of gold produced[1] increased by 7% primarily due to lower production and a price increase of cyanide.

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EPP Project: Lavrinha, Brazil

The table below sets out selected operating information for Lavrinha for the three months ended March 31, 2018 and 2017.

Three months ended March 31	**2018**	2017
Ore mined (tonnes)	**305,534**	224,360
Waste mined (tonnes)	**2,274,843**	1,447,923
Total mined (tonnes)	**2,580,377**	1,672,283
Waste to ore ratio	**7.45**	6.45
Ore plant feed (tonnes)	**266,794**	206,263
Grade (g/tonne)	**1.21**	1.06
Recovery (%)	**93.6%**	93.0%
Production (ounces)	**9,707**	5,731
Sales (ounces)	**10,467**	5,000
Average cash cost per ounce of gold produced[1]	**$ 896**	$ 1,031

During the first quarter of 2018 compared to the same period of 2017, summarized results for Lavrinha are as follows:

- total tonnes moved was 54% higher
- ore mined was 36% higher
- ore grade was 14% higher
- ounces produced was 69% higher

The increase in production at Lavrinha, from 560 kt per month to 860 kt per month was due to an increase in the drilling, blasting, loading and hauling fleet and an increase in ore control and increased sampling short-term ore (additional short-term mapped ore areas available).

The increase was a response to the increase in production at the plant, which increased feeding from 130 t / h to 170 t / h. This 31% increase in plant production was due to several improvements in the circuit, among them the placement of a second cyclone circuit.

On January 1, 2017, the Company declared commercial production at Lavrinha. As a result, both revenue and operating costs for Lavrinha are recognized in the condensed interim consolidated statements of loss and comprehensive loss. In addition, the mine development related to Lavrinha was reclassified to property, plant and equipment and depletion commences.

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EPP Project: Pau-a-Pique, Brazil

The table below sets out selected operating information for Pau-a-Pique for the three months ended March 31, 2018 and 2017.

Three months ended March 31	**2018**	2017
Ore mined (tonnes)	**41,902**	24,077
Waste mined (tonnes)	**32,996**	11,988
Total mined (tonnes)	**74,898**	36,065
Waste to ore ratio	**0.79**	0.50
Ore plant feed (tonnes)	**41,654**	21,286
Grade (g/tonne)	**3.13**	1.60
Recovery (%)	**93.3%**	91.4%
Production (ounces)	**3,920**	1,003
Sales (ounces)	**4,753**	-
Average cash cost per ounce of gold produced[1]	**$ 935**	$ 2,892

During the first quarter of 2018 compared to the same period in 2017, summarized results for Pau-a-Pique are as follows:

- total tonnes moved was 108% higher
- tonnes of ore produced increased 74%
- ore grade was 96% higher
- ounces produced was 291% higher

The increase in PPQ production was due to the stabilization of production at project levels, since the operation commenced in January of 2017 and during the first quarter the operation was in a ramp-up phase.

On August 1, 2017, the Company declared commercial production at the Pau-a-Pique mine. As a result, both revenue and operating costs for PPQ were recognized in the condensed interim consolidated statements of loss and comprehensive loss for period of first quarter of 2017. In addition, the mine development related to PPQ was reclassified to property, plant and equipment and depletion commences.

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5. RESULTS OF OPERATIONS

For the three months ended March 31, 2018, the Company recorded a net income of $11,280 compared to a net income of $(5,023) for the three months ended March 31, 2017. Details of revenues, cost of goods sold and gross margin are presented below:

Three months ended March 31	**2018**	2017
Revenues:		
San Andres	**$ 25,122**	$ 24,982
Brazilian Mines	**$ 19,901**	$ 9,920
	$ 45,023	$ 34,902
Cost of Production:		
San Andres	**$ 18,608**	$ 17,991
Brazilian Mines	**$ 14,541**	$ 8,824
	$ 33,149	$ 26,815
Depletion and Amortization:		
San Andres	**$ 2,130**	$ 2,183
Brazilian Mines	**$ 1,932**	$ 591
	$ 4,062	$ 2,774
Gross Margin:		
San Andres	**$ 4,384**	$ 4,808
Brazilian Mines	**$ 3,428**	$ 505
	$ 7,812	$ 5,313
Ounces sold:		
San Andres	**$ 19,625**	$ 21,796
Brazilian Mines	**$ 15,220**	$ 8,286
	$ 34,845	$ 30,082
Cash operating costs per ounce sold[1]		
San Andres	**$ 948**	$ 825
Brazilian Mines	**$ 955**	$ 1,065
	$ 951	$ 891
Depletion and amortization per ounce sold[1]		
San Andres	**$ 109**	$ 100
Brazilian Mines	**$ 127**	$ 71
	$ 117	$ 92
Cost of goods sold per ounce sold[1]		
San Andres	**$ 1,057**	$ 926
Brazilian Mines	**$ 1,082**	$ 1,136
	$ 1,068	$ 984

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Revenues

Gold sales revenue for the first quarter of 2018 increased by 29.0% compared to the same period in 2017. The increase in gold sales revenue is attributable to a 15.8% increase in volumes of gold sold during the quarter plus a 9.0% increase in market gold price. The increase in gold sales volumes is mainly due to the higher production and sales from the Brazilian Mines.

Cost of Goods Sold

Total cost of goods sold from San Andres during the first quarter of 2018 increased by 3.4% and cash operating cost per ounce sold[1] was higher by 14.9% in comparison to the same period in 2017 due to lower production and a price increase of cyanide.

Total cost of production for the Brazilian Mines during the first quarter of 2018 increased by 64.8% and cash operating cost per ounce sold[1] was 10.3% lower in comparison to the same period in 2017 due to an increase in production with the commencement of PPQ operations and Lavrinha ramp-up.

Care-and-maintenance expenses

Care-and-maintenance expenses include:

Three months ended March 31	**2018**	2017
Aranzazu Mine	**$ 459**	$ 479
Serrote Project	**421**	223
Brazilian projects	**120**	236
	$ 1,000	$ 938

The care-and-maintenance expense for other Brazilian projects (including São Francisco and Rio Alegre) and the Aranzazu Mine mainly represents costs with respect to maintaining adequate provisions for security *(See Section 9, Transactions with Related Parties).*

General and administrative costs

For the three months ended March 31, 2018 and 2017, general and administrative costs include:

	2018	2017
Salaries, wages and benefits	**$ 681**	$ 629
Professional and consulting fees	**1,562**	1,561
Legal, Filing, listing and transfer agent fees	**112**	47
Insurance	**170**	95
Directors' fees	**43**	48
Occupancy cost	**67**	83
Travel expenses	**85**	44
Other	**289**	355
	$ 3,009	$ 2,863

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General and administrative costs include the following and comparing the first quarter of 2018 to 2017 primarily relate to the following items:

- Professional and consulting fees increased due to additional consultants at Aranzazu for the potential re-start and the ongoing technical work covering key areas of the project such as geology and resource estimates, mining plan and reserves, process engineering, metallurgy, OPEX and CAPEX as well as the associated financial modelling
- Legal, filing, listing and transfer agent fees increased due to regulatory fees of the Company and it's subsidiaries (including the listing of additional shares on the TSX) and certain filing fees (bar stamps and duties) associated with the LDC Facility
- Insurance fees increased due to additional coverage at San Andres, EPP and Aranzazu
- Travel costs increased due to additional travelling of the Company's officers and consultants to EPP and Aranzazu (all flights are booked in economy class subject to limited exceptions).

Finance Costs

The increase in interest expense on debts is related to the new debts (refer to Section 7, Liquidity and Capital Resources):

Three months ended March 31	**2018**	2017
Accretion expense	**$ 189**	$ 343
Interest expense on debts (note 20)	**667**	342
Finance cost on post-employment benefit	**116**	129
Other interest and finance costs	**13**	336
	$ 985	$ 1,150

Other (losses) income

Three months ended March 31	**2018**	2017
Net loss on call options and fixed price contracts	**$ (985)**	$ (1,369)
Changes in fair value of gold loans (note 11(b))	**-**	(427)
Gain on disposal of assets	**744**	579
Foreign exchange (loss) gain	**1,369**	(2,645)
Other items	**(649)**	(19)
	$ 479	$ (3,881)

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6. SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim consolidated financial information for each of the eight most recently completed quarters.

Fiscal quarter ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Revenue	$ 45,023	$ 38,734	$ 39,828	$ 44,247	$ 34,902	$ 34,328	$ 40,016	$ 36,415
Working capital	26,882	29,109	11,970	5,332	9,110	6,459	(1,442)	(4,169)
Property, plant and equipment	132,299	80,700	102,689	100,673	102,203	102,758	86,565	87,801
Impairment recovery*	-	10,007	-	-	-	-	-	-
Gain on acquisition of assets	21,898	-	-	-	-	19,886	-	-
Gain on sale of assets	3,945							
(Loss) Income for the period	11,280	6,368	4,594	4,242	(5,023)	20,353	734	(2,048)
(Loss) Income per share								
Basic	$ 0.31	$ 0.19	$ 0.14	$ 0.13	$ (0.15)	$ 0.62	$ 0.10	$ (0.10)
Diluted	$ 0.30	$ 0.19	$ 0.14	$ 0.13	$ (0.15)	$ 0.60	$ 0.10	$ (0.10)

*For the quarter ended December 31, 2017 impairment recovery recorded is related to the sale of MVV and the Serrote Project.

Refer to Section 7, Liquidity and Capital Resources, for changes in cash and cash equivalents. For further additional information on period to period variations, see *Section 3, Review of Mining Operations and Development Projects* and *Section 5, Results of Operations.*

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7. LIQUIDITY AND CAPITAL RESOURCES

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

As at March 31, 2018, the financial resources available to the Company in meeting its financial obligations include its positive working capital as well as its other assets including cash on hand. The Company will, from time to time, repay balances outstanding on its loans with operating cash flow and cash flow from other sources.

During the three months ended March 31, 2018, cash increased from $11,789 at the beginning of the period to $32,430 at the end of the first quarter. Details are as follows:

Three months ended March 31	**2018**	2017
Cash flow generated by operating activities	**$ 5,739**	$ (1,013)
Cash flow used by investing activities	**25,555**	(2,234)
Cash flow generated by financing activities	**(10,653)**	3,854
(Decrease) increase in cash and cash equivalents	**$ 20,641**	$ 607

The increase in cash position of $20,641 during the three months ended March 31, 2018, was made up of:

- Cash flow from operating activities of $5,739 made up of: net profits of $11,280; items not affecting cash of $(5,719) (see note 22(a) of the Financial Statements); changes in working capital of $1,559 (see note 22(b) of the Financial Statements) and changes in other assets and liabilities $(1,381);
- Cash used in investing activities of $(5,189) related to purchases of property, plant and equipment; proceeds on the sale of MVV (Serrote) of $30,000; and
- Cash flow from financing activities of $(10,653), mainly due to repayment of short term loans of $(9,658) (see note 11 of the Financial Statements).

As of March 31, 2018, the Company has the following debt obligations:

Debt Obligations		Payments ($) Due by Year			
	Total	< 1	1 – 3	4- 5	> 5
Banco de Occidente, S.A.	2,318	2,318	-	-	-
Banco Atlantida, S.A.	7,000	700	6,300	-	-
Banco ABC Brasil S.A.	2,661	2,330	331	-	-
Yamana Gold Inc.	4,612	4,612	-	-	-
Northwestern Enterprises Ltd.[1]	3,576	3,576			
Total	20,167	13,536	6,631		

Note 1. On April 16, 2018 the Company paid down $1,430 of this amount.

For a detailed discussion of the above noted debts, please see Note 11 in the Financial Statements. In the ordinary course of business, the Company has trade and other payables owing and for mine closure and restoration which are discussed in the Financial Statements.

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 Enterprises Ltd. (“Northwestern”) which, as at March 31, 2018, totaled $3,576. On April 16, 2018, the Company entered into a payment schedule with Northwestern pursuant to which the Company agreed to repay the notes of $3,576. Pursuant to the agreement, quarterly repayment terms are as

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follows: (i) $1,430 on April 16, 2018 (paid); (ii) $729 on July 13, 2018; (iii) $743 on October 13, 2018 and (iv) $758 on January 13, 2019. The quarterly repayment terms are inclusive of 8% interest.

On March 28, 2018, the Company and the Company's subsidiary, Apoena, entered into an agreement with Yamana and SBMM, with respect to the repayment of the working capital facility provided to Apoena in connection with the acquisition of the EPP project. Pursuant to the agreement, the Company acknowledged debt of $9,638 with repayment terms as follows: (i) $5,000 on March 28, 2018 (paid); (ii) $1,000 on each of June 30, 2018 and September 30, 2018; (iii) $1,400 on December 31, 2018; and (iv) $1,461 on March 30, 2019.

8. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the three months ended March 31, 2018 and as at the date of this MD&A, the Company has not entered into any contractual obligations that are outside of the ordinary course of business.

9. TRANSACTIONS WITH RELATED PARTIES

On December 18, 2017 the Company and Rio Novo entered into an agreement to combine and create a portfolio of mining properties with a long-term production life. On February 22, 2018 the Company and Rio Novo announced, in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), that the proposed merger (the "Merger") of the Company and Rio Novo was approved by their respective shareholders at Special Meetings of the respective shareholders. On March 2, 2018, the Company and Rio Novo announced the completion of the Merger under section 170 of the BVI Business Companies Act, 2004 under which the Company merged with Rio Novo and the separate corporate existence of Rio Novo ceased. Upon consummation of the Merger, all of the shares in Rio Novo were automatically converted into the relevant number of shares of the Company where holders of Rio Novo Shares received 0.053 of the Company's common share for every Rio Novo Share held (being an aggregate of 9,473,956 common shares of the Company). As part of the Merger, the Company also issued (i) 314,186 common shares to holders of Rio Novo deferred share units outstanding as of December 18, 2017 and (ii) options to acquire 154,230 Company common shares to holders of Rio Novo options (which were cancelled). The approval of the Merger was conducted in accordance with MI 61-101 because of Northwestern shareholdings in each of the Company and Rio Novo. Northwestern is beneficially owned, controlled or directed by Paulo Brito, the Company's Chairman of the Board.

As part consideration for the acquisition of the EPP Project, the Company granted to SBMM a net smelter return royalty ("NSR Royalty") as to 2% on the first 1,000,000 gold ounces produced from the EPP Project, and thereafter, a 1% NSR Royalty on gold ounces produced from the EPP Project. The Company has been provided notice that pursuant to the royalty agreement, a company beneficially owned by Paulo de Brito has acquired the NSR Royalty from SBMM. The Company was not a party to the negotiations between the entities and the transaction is not a related party however the Company is providing disclosure in the MD&A with respect to the royalty payments to be made.

On January 1, 2015, the Company entered into a consulting agreement for the provision of management services to the Company, including those of the President and Chief Executive Officer, with Acumen Capital, LLC ("Acumen"), a US based company which is controlled by Jim Bannantine, the Company's former President and Chief Executive Officer. The consulting agreement was terminated on January 15, 2017. For the three months ended March 31, 2018, the Company paid consulting fees and termination benefits to Acumen of $103 (2017: $124). As at March 31, 2018, the Company owed $476 (March 31, 2017: $975) to Acumen, mainly related to termination benefits.

In connection with Company's due diligence conducted on the EPP Project and subsequent acquisition of the project, the Company investigated an area known as Rio Alegre, which was not originally included in the EPP Project that was acquired from Yamana. It was the Company's intention to acquire the licenses of Rio Alegre due to the close proximity to the EPP's processing plant, subject to positive due diligence. The exploration licenses for Rio Alegre are held in the name of Mineração Tarauacá Indústria e Comércio S.A. ("Tarauacá"), a company controlled by Paulo

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Brito, the Company's non-executive Chairman and largest shareholder through his control and direction of Northwestern Enterprises Ltd. Following initial discussions with Tarauacá, and additional due diligence on Rio Alegre, the Company and Tarauacá entered into an agreement for the Company to acquire Rio Alegre at no cost to the Company. Tarauacá has applied to the National Department of Mineral Production for the assignment of the exploration license and the formal assignment is expected shortly. For the three months ended March 31, 2018, the Company spent $279 (2017: $236) maintaining the property which was primarily related to security.

10. PROPOSED TRANSACTION

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

11. CHANGES IN ACCOUNTING POLICIES

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Company reviewed the new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 16, Leases

On January 13, 2016, the IASB published a new Standard, IFRS 16, Leases ("IFRS 16"). The new standard brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

IFRS 15, Revenue from Contracts and Customers

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosure

The final version of IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however it is available for early adoption. In addition, the own credit risk changes can be early adopted in isolation without otherwise changing the accounting for the financial instruments.

IFRS 7 (Financial Instruments: Dislcosure) addresses the disclosure of financial assets and financial liabilities in the financial statements. IFRS 7 will be amended to require additional disclosures on transition from IAS 39 to IFRS 9, effective on adoption of IFRS 9.

The Company is currently evaluating the impact of IFRS 9 and IFRS 7 on its consolidated financial statements.
IFRS 2, Share-based Payment

In June 2016, the IASB issued amendments to IFRS 2 Share-based Payment ("IFRS 2"), covering the measurement of cash-settled share-based payments, classification of share-based payments settled net of tax withholdings, and accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements, and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments apply for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of IFRS 12 on its consolidated financial statements.

12. CRITICAL ACCOUNTING ESTIMATES

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

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

a) Determination of Mineral Resources and Mineral Reserves

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

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

b) Impairment of assets

In accordance with the Company's accounting policy, each asset or CGU is evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating unit ("CGU") is measured at the higher of fair value less cost of disposal ("FVLCD") or value in use ("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,

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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).

c) Valuation of work-in-process inventory

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

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

d) Deferral of stripping costs

In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves and mineral resources that will be mined in a future period and therefore should be capitalized, the Company determines whether it is probable that the future economic benefit associated with the stripping activity will flow to the Company.

e) 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.

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13. CORPORATE GOVERNANCE

The Company’s Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of five individuals, four of whom are neither executive officers nor employees of the Company and three of whom are unrelated in that they are independent of management. Mr. Barbosa is not independent due to his role as President & CEO of the Company. The Audit Committee is currently comprised of three directors who are independent of management.

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

The Audit Committee has reviewed this MD&A pursuant to its charter and the Board has approved the disclosure contained herein. A copy of this MD&A will be provided to anyone who requests it.

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for designing and maintaining adequate internal controls over financial reporting (“ICFR”), under the supervision of the CEO and Vice President, Legal Affairs and Business Development, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS. Management is also responsible for the design and effectiveness of disclosure controls and procedures (“DC&P”), under the supervision of the CEO and Vice President, Legal Affairs and Business Development, to provide reasonable assurance that material information related to the Company is made known to the Company’s certifying officers. Based on a review of the ICFR and DC&P as of December 31, 2017 and ongoing review and monitoring of these procedures, and as there were no changes in ICFR or DC&P in the three months ended March 31, 2018 which have materially affected or are reasonably likely to materially affect ICFR or DC&P, management of the Company believes its internal controls and procedures are appropriately designed and effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner, and that material information relating to the Company is made known to them.

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15. NON-GAAP PERFORMANCE MEASURES

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

A. Reconciliation from revenue to EBITDA:

Three months ended March 31	**2018**	2017
Revenue	**$ 45,023**	$ 34,902
Cost of goods sold	**(37,211)**	(29,589)
Care-and-maintenance expenses	**(1,000)**	(938)
General and administrative expenses	**(3,009)**	(2,863)
Exploration expenses	**(1,002)**	(262)
Impairment reversal	**-**	-
EBIT	**2,801**	1,250
Depreciation and amortization	**4,062**	2,774
EBITDA	**6,863**	4,024
Non-cash and/or non-recurring		
Gain on disposal of assets	**744**	579
Other items in other (losses) gains	**(649)**	(19)
Depreciation and amortization	**(4,062)**	(2,774)
Net loss on call options and fixed price contracts	**(985)**	(1,369)
Change in estimate of provision for mine closure and restoration	**-**	-
VAT and other taxes recoveries	**-**	-
Finance costs	**(985)**	(1,150)
Changes in fair value of gold loans	**-**	(427)
Foreign exchange (loss) gain	**1,369**	(2,645)
Gain on acquisition of Rio Novo Gold Inc	**21,898**	-
Currency translation adjustment reversal	**(15,827)**	-
Gain on Sale of Mineração Vale Verde Ltda (Serrote)	**3,945**	(366)
(Loss) income before taxes	**12,311**	**(3,781)**
Taxes	**(1,031)**	(1,242)
Net income (loss)	$ 11,280	$ (5,023)

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

Three months ended March 31	2018	2017
Cost of goods sold	**$ 37,211**	$ 29,589
Depreciation	**(4,062)**	(2,774)
Cost of production	**33,149**	26,815
Change in inventory	**(1,351)**	1,633
Other adjustments	**(1,202)**	(2,693)
Total operating cost of gold produced	**$ 30,596**	$ 25,755
Ounces of gold produced	**33,975**	30,318
Cash operating costs per ounce produced	**$ 865**	$ 849

C. Reconciliation from the consolidated financial statements to realized gold price per ounce sold:

Three months ended March 31	2018	2017
Revenue per consolidation	**$ 45,023**	$ 34,902
Local sales taxes	**(1,565)**	1,527
Processing fees	**79**	62
Realized loss from fixed price contracts	**(1,499)**	(753)
Realized loss from call options contracts	**-**	-
Net realized revenue	**$ 42,038**	$ 35,679
Ounces of gold sold	**34,845**	30,082
Realized average gold price per ounce sold [1]	**$ 1,288**	$ 1,209
Net realized average gold price per ounce sold (includes PPQ pre-commercial production) [1]	**$ 1,239**	$ 1,135

D. Reconciliation from the consolidated financial statements to cash operating costs per ounce sold and all-in costs per ounce sold:

Three months ended March 31	2018	2017
Cost of production	**$ 33,149**	$ 26,815
Care-and-maintenance	**1,000**	938
General & administration expenses	**3,009**	2,863
Capital expenditures	**5,189**	2,915
Accretion expense	**189**	343
Exploration expenses	**1,002**	262
Total all-in costs	**$ 43,538**	$ 34,136
Ounces of gold sold	**34,845**	30,082
Cash operating costs per ounce sold	**$ 951**	$ 891
All-in costs per ounce sold	**$ 1,115**	$ 1,135

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16. RISK FACTORS

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

17. DISCLOSURE OF SHARE DATA

As at March 31, 2018, the Company had the following outstanding: 43,372,336 common shares, 552,300 stock options, 350,000 share purchase warrants, and 126,529 deferred share units.

18. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference, contain certain "forward-looking information" and "forward-looking statements", as defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the economic viability of a project; strategic plans, including the Company's plans with respect to its properties; the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash costs; operating costs; strip ratios and mining rates; expected grades and ounces of metals and minerals; expected processing recoveries; expected time frames; prices of metals and minerals; mine life; and gold hedge programs. Often, but not always, forward-looking statements may be identified by the use of words such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

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

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

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or

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otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

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