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360° MINING

Management's Discussion and Analysis

For the three months ended March 31, 2019

Dated as of May 14, 2019

AURA MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

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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, 2019 and 2018 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") 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, 2019.

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 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 open pit mine, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japones open pit mine (at pre-production stage) and the near mine open-pit prospects of Nosde and Pombinhas.

- *The Aranzazu Copper Mine ("Aranzazu")* – an underground mine operation in the state of Zacatecas, Mexico. On December 11, 2018 the Company declared commercial production.

- *The Sao Francisco Gold Mine ("Sao 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 Sao Francisco was suspended in October 2016 and from January to September of 2017, the mine operated a fines recovery project to recovery the remaining gold from the heap leach piles. In 2018 the Company conducted a drill program at Sao Francisco and is considering its further options.

- *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 Matupa Gold* Project ("Matupa") – a gold project located in the state of Mato Grosso, Brazil. The Matupa Gold Project consists of one deposit (the X1 deposit) and several exploration targets (the Matupa, Guaranta Ridge, V4, V5, V6, and Fucao 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 18 of this MD&A

2. FIRST QUARTER 2019 FINANCIAL AND OPERATING HIGHLIGHTS

For the three months ended March 31,		2019		2018
FINANCIAL DATA				
IFRS Measures				
Revenue	$	**36,256**	$	45,023
Cost of goods sold		**35,180**		37,211
Depreciation (included in cost of goods sold)		**5,692**		4,062
Gross Margin		**1,076**		7,812
Gross Margin (excluding depreciation)		**6,768**		11,874
Net income (loss)	$	**(4,723)**	$	11,280
Income (loss) per share - Basic	$	**(1.09)**	$	3.06
OPERATING DATA				
Gold ore processed (tonnes)		**1,185,918**		2,095,068
Gold produced (ounces)		**20,064**		33,915
Gold sold (ounces)		**20,016**		34,845
Copper ore processed (tonnes)		**159,303**		-
Copper concentrate produced (dry metric tonnes "DMT")		**5,857**		-

- Loss of $4,723 or $1.09 per share for the three months ended March 31, 2019 (first quarter) compared to income of $11,280 or $3.06 per share for the first quarter of 2018.
- The operational result decrease is primarily attributable to the operational shutdown due to the unlawful occupation of a mining area at the San Andres mine in Honduras, which negatively impacted the results together with the ramp-up of the Aranzazu operations in Mexico (See Section 4 Review of Mining Operations for further details)
- Therefore, in the first quarter of 2019 the gold production was 40.8% lower than the same period of 2018.
- However, in February 8th, 2019 Aura announced a gradual restart of Minosa and, due to the leaching cycle, the quarter revenues was not yet significantly impacted.
- On the other hand, the gradual restart of Aranzazu already impacted revenues by $10,665 on the quarter
- Net sales revenue in the first quarter of 2019 decreased by 19.5% over the first quarter of 2018. Details are as follows:

For the three months ended March 31,		2019		2018
Gold revenue		**25,591**		45,023
Copper concentrate revenue		**10,665**		-
Revenue		**36,256**		45,023
Ounces sold				
San Andres		**5,688**		19,625
Brazilian Mines		**14,328**		15,220
Total ounces sold		**20,016**		34,845
Gold sales revenues, net of local sales taxes	$	**25,591**	$	45,023
Average gold market price per oz (London PM Fix)	$	**1,304**	$	1,329
Realized average gold price per ounce sold, gross [1]	$	**1,301**	$	1,339
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	$	**1,232**	$	1,249

- Gold production and cash operating costs per ounce produced[1] for the three months ended March 31, 2019 and 2018 were as follows:

Three months ended, March 31	2019		2018	
		Cash Operating		Cash Operating
	Oz Produced	Costs	Oz Produced	Costs
San Andres	**6,486**	**$ 1,192**	20,348	$ 832
Brazilian Mines	**13,578**	**$ 843**	13,567	$ 913
Total / Average	**20,064**	**$ 956**	33,915	$ 865

- Due to the restart of San Andres mine and the leaching cycle, the mine showed a higher than average cost. We expect to have significant higher production in the second quarter and consequently lower cash cost per Oz

3. OUTLOOK AND STRATEGY

On December 10, 2018, Aranzazu declared commercial production.

The Company's updated gold and copper production and cash cost per ounce[1] guidance for 2019 is detailed below:

	Ounces produced Oz		Cash operating costs per ounce produced[1]		Capital expenditures (in thousands)	
Gold Mines	**Low**	**High**	**Low**	**High**	**Low**	**High**
San Andres	55,000	65,000	$ 900	$ 1,000	$ 4,000	$ 6,000
Brazilian Mines	55,000	68,000	775	860	3,000	5,000
Total	**110,000**	**133,000**	**$ 838**	**$ 928**	**$ 7,000**	**$ 11,000**

	Copper production '000 lb		Gold Production Oz		Cash Operating costs USD/lb Cu Equivalent		Capital Expenditures (in thousands)	
Copper mine	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**
Aranzazu	23,000	29,000	15,000	19,000	$ 1.60	$ 1.85	$ 10,000	$ 13,000

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). With the new assets from Rio Novo (Almas, Matupa and Tolda Fria), Aura is currently analyzing the opportunities to optimize the returns including alternatives to reduce Capex.

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

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quantities, process recoveries, labor, country stability, plant and equipment availabilities) and production and processing costs (impacted by production levels, prices and usage of key consumables, labor, inflation, and exchange rates).

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, 2019 and 2018:

For the three months ended March 31,		**2019**		2018
Ore mined (tonnes)		**835,195**		1,788,693
Waste mined (tonnes)		**670,525**		1,162,387
Total mined (tonnes)		**1,505,720**		2,951,080
Waste to ore ratio		**0.80**		0.65
Ore plant feed (tonnes)		**797,248**		1,786,620
Grade (g/tonne)		**0.45**		0.46
Recovery (%)		**55.8%**		76.1%
Production (ounces)		**6,486**		20,348
Sales (ounces)		**5,688**		19,625
Average cash cost per ounce of gold produced[1]	**$**	**1,192**	$	832

The San Andres mine is 100% owned through the Company's wholly-owned subsidiary, Minerales de Occidente S.A. de C.V. ("Minosa").

As disclosed in public filings, during certain periods of 2018, Minosa has incurred the illegal occupation of the mine by certain individuals that were making personal demands of the mine. On December 6, 2018, the Company announced a suspension of operations at the mine because of illegal invasions of its private property that hindered the works in the mining operation. This temporary suspension was formalized at the Ministry of Labor on December 10, 2018 and in INHGEOMIN (Honduran Institute of Geology and Mines) on December 14, 2018. On January 31, 2019, El Ministerio Publico of Santa Rosa de Copán through the Prosecutor of the case issued Criminal Requirements against 18 cases involved in crimes for damages to Minosa and dictated precautionary measures including not approaching the mining operation for the duration of the trial. Given the actions of local authorities seeking legal security for private investment, on February 8, 2019 Minosa decided to restart its operations progressively and issued an official statement to its collaborators, suppliers, authorities and the general public. On April 10, 2019, the first hearing was held in court against those involved in crimes of illicit manifestation and damages. Minosa is waiting for the ruling of the Appeal.

As at the date of this MD&A, Minosa has suffered new events: 2 blockages in the mining operation, 4 illegal invasions and several damages, the corresponding complaints about these new facts have been filed with the Public Ministry and a more active response has been received by the National Police, who have proceeded to make several captures when individuals are found committing crimes. The Company continues to work with local community leaders, Honduran law enforcement and the governmental authorities and is cautiously optimistic that all parties will abide by the terms negotiated and that operations at the San Andres mine will continue uninterrupted by further invasions.

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On March 3, 2019, San Andres's contractor's employee had an accident within the mining operation that resulted on serious injury of the employee of the Company hired by Minosa to carry out the work of load and haul. San Andres complyed with the emergency plan for accidents and proceeded to provide immediate assistance, supporting with medical attention during the transfer of the person to the hospital. Due to the injuries caused by the accident, the person died hours later in the hospital. After the investigations made on the case, the accident was classified as an accident at work and transit. San Andres remains committed to the safety of workers, contractors and others who collaborate with our mining operation, we operate under the best practices and reinforced all Aura's standards to protect our own and our contractor's employee's safety.

Results for San Andres during the first quarter of 2019 as compared to the same period of 2018 are as follow:

- Average cash cost per ounce of gold produced increased by 43.2% due to the low production in this first quarter of 2019. San Andres resumed operation in February and the production cycle may take several months to stabilize depending on the mineral conditions.
- Ore mined decreased by 53.3%.
- Waste mined decreased by 42.3% due to no production during January and the low production of February.
- Ore plant feed decreased by 55.4% as a result of the low ore mined. Since February, the company has accumulated a stock pile to support operations during any Stop.
- Recovery decreased by 20.3% and is also a consequence of the initial months of the restart. The current laboratory tests show recoveries similar to 2018 and should be reflected in the coming months.
- Production decreased by 68.1% because of the low mining of this year, where production in January was the result of stacking in December, being 1,314 Oz, February 972 Oz for January since it was not stacked in January and March 4,200 Oz of gold produced.
- Sales decreased by 71.0% as a result of production.

EPP Project:

EPP Project: Lavrinha, Brazil

The table below sets out selected operating information for Lavrinha for the three months ended March 31, 2019 and 2018.

For the three months ended March 31,		**2019**		2018
Ore mined (tonnes)		**162,740**		305,534
Waste mined (tonnes)		**1,904,249**		2,274,843
Total mined (tonnes)		**2,066,989**		2,580,377
Waste to ore ratio		**11.70**		7.45
Ore plant feed (tonnes)		**241,220**		266,794
Grade (g/tonne)		**0.90**		1.21
Recovery (%)		**95.5%**		93.5%
Production (ounces)		**6,658**		9,698
Sales (ounces)		**4,610**		10,467
Average cash cost per ounce of gold produced[1]	**$**	**887**	$	907

Results for Lavrinha during the first quarter of 2019 as compared to the same period of 2018 are as follow:

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- Production decreased by 31.3% due to in part to the smaller mass, and lower content. However, total ounces produced, considering the production of the Japones mine, was equivalent.
- Ore mined decreased by 46.7% as a result of the Japones mine starting operation, since mine sequencing is integrated between the two mines.
- Waste mined decreased by 16.3% as a result of the Japones mine starting operation, since mine sequencing is integrated between the two mines.
- Waste to ore ratio increased by 57.2% due to the expansion of the excavation in deeper zones consequently increasing the mass of sterile.
- Grade decreased by 25.6% due to mining in zones of different characteristics and consequently of different content. During the rainy season the access to the bottom of the cave, where it has better contents, is difficult.
- Recovery increased by 1.9% in the plant due mainly to the introduction of an oxygen injection system in the CIL process, which increases the kinetic cyanide / gold.
- Average cash cost per ounce decreased by 2.2% due to of the dilution of fixed cost between Lavrinha and Japones

***EPP Project*: Pau-a-Pique Mine**

The table below sets out selected operating information for Pau-a-Pique for the three months ended March 31, 2019 and 2018.

For the three months ended March 31,		2019		2018
Ore mined (tonnes)		**46,200**		41,902
Waste mined (tonnes)		**26,695**		32,996
Total mined (tonnes)		**72,895**		74,898
Waste to ore ratio		**0.58**		0.79
Ore plant feed (tonnes)		**47,496**		41,654
Grade (g/tonne)		**2.68**		3.13
Recovery (%)		**95.5%**		93.3%
Production (ounces)		**3,907**		3,869
Sales (ounces)		**9,717**		4,753
Average cash cost per ounce of gold produced[1]	**$**	**975**	$	929

Results for Pau-a-Pique during the first quarter of 2019 as compared to the same period of 2018 are as follow:

- Ore mined improved by 10.3% due to productivity increases and better utilization of the equipment after adjustments in the operational cycle and addition of more work fronts.
- Waste mined decreased by 19.1% due to less need for development of ramps.
- Waste to ore ratio decreased by 26.6% due to the lower production of sterile.
- Ore plant feed increased by 14.0% due to addition of more mining fronts.
- Grade decreased by 14.3% due to mining in zones of different characteristics and consequently of different content.
- Recovery increased by 2.2% in the plant due mainly to the introduction of an oxygen injection system in the CIL process, which increases the kinetic cyanide / gold.
- Production was equivalent, due to the greater mass of ore produced.
- Cash cost increased by 5.0% because of the lower grade.

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During the first quarter of 2019, the Company finished a drilling campaign to add reserve in down dip, completed the construction of the emergency ladder, improved the ventilation system and utilizations of the equipment.

***EPP Project*: Japones**

The table below sets out selected operating information for Japones for the three months ended March 31, 2019 and 2018. Japones is currently in pre-commercial production stage. As a result, both revenue and operating costs for Japones are capitalized as property, plant and equipment.

For the three months ended March 31,		**2019**	2018
Ore mined (tonnes)		**108,670**	
Waste mined (tonnes)		**852,772**	
Total mined (tonnes)		**961,442**	
Waste to ore ratio		**7.85**	
Ore plant feed (tonnes)		**99,954**	
Grade (g/tonne)		**0.98**	
Recovery (%)		**95.5%**	
Production (ounces)		**3,013**	
Sales (ounces)		**-**	
Average cash cost per ounce of gold produced[1]	**$**	**575**	

- Average cash cost per ounce for the quarter was $575 due to capitalization of operating costs amounting to $1,269 because of the pre-production stage .

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Aranzazu

The table below sets out selected operating information for Aranzazu for the three months ended March 31, 2019 and 2018. The information below includes pre-commercial production from the Aranzazu Mine:

For the three months ended March 31,		2019	2018
Ore mined (tonnes)		**160,176**	
Ore milled (tonnes)		**159,303**	
Copper grade (%)		**1.07%**	
Gold grade (g/tonne)		**0.66**	
Silver grade (g/tonne)		**14.93**	
Cooper recovery		**86.7%**	
Gold recovery		**74.2%**	
Silver recovery		**54.6%**	
Concentrate production:			
Cooper concentrate produced (DMT)		**5,857**	
Cooper contained in concentrate (%)		**25.3%**	
Gold contained in concentrate (g/DMT)		**12.7**	
Silver contained in concentrate (g/DMT)		**216.5**	
Average cash cost per payable pound of copper produced, net of gold and silver credits [1]	**$**	**2.03**	

- Production continues in a ramp up phase since the restart, and, although the mine faced few challenges with the early mine production performance, Aranzazu was able to mine an average of 1,780 tons per day and continues to improve during the next months
- Mine has faced challenges associated with operational start up, having unexpected higher turnover and higher than expected training programs during the first quarter 2019. However, based on the improvements made during March, Aranzazu expects a substantial improvement in Q2 and more for the second semester.
- Ore milled, 100% of the ore feed was successfully processed.
- Copper and gold grade processed showed consistency with geological model, reaching 1.58% and 0.74% respectively
- Copper recovery achieved of 86.7% is close to the original model and it still shows potential for improvements.
- Gold recovery achieved of 75% according to the original model.
- Improvement in safety results due to stronger safety culture.
- Plant stabilized and the ability to process up to 3.000 tones per day, and recoveries as TD5 construction finalized allowing its fully operation at the beginning of April 2019, with 19 months of storage capacity.

On December 10, 2018, the Company declared commercial production at the Aranzazu mine. As a result, both revenue and operating costs for Aranzazu are recognized in the consolidated statements of loss and comprehensive loss. In addition, the mine development related to Aranzazu was reclassified to property, plant and equipment and depletion commences. Commercial production was achieved ahead of schedule and with less capital needs compared to the business plan. An excellent safety record has been attained during ramp-up period and throughout the completion of various infrastructure projects. The Company continues to further progress on the underground

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mine development and operational improvements to the plant in order to reach full production. Construction of the new tailings disposal facility (TD5) was completed on April 5, 2019.

On October 16, 2018, the Company announced the first shipment of concentrate from Aranzazu.

On July 16, 2018, the Company announced the results of the NI 43-101 Feasibility Study for the restart of operations which study was subsequently filed on SEDAR.

On March 8, 2018, Aranzazu Holding entered into the Facility and Off-Take Agreement with IXM S.A. (formerly Louis Dreyfus). As at the date of this MD&A, $20,000 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.

Almas Project

The Company has commenced a pre-feasibility study (the "Study") which will incorporate a newly defined project execution strategy aiming at reducing capital expenditure requirements and optimizing project cash flows. The Company expects to generate a new mineral reserve estimate as part of the Study during 2020.

Matupa

The Company maintains its views about the relevance and importance of this deposit and will continue investing in exploration and development.

Tolda Fria

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

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5. RESULTS OF OPERATIONS

Details of revenues, cost of goods sold and gross margin are presented below:

For the three months ended March 31,		2019		2018
Revenues:				
San Andres	$	7,841	$	25,122
Brazilian Mines		17,750		19,901
Aranzazu		10,665		-
	$	36,256	$	45,023
Cost of Production:				
San Andres	$	7,077	$	18,608
Brazilian Mines		10,995		14,541
Aranzazu		11,416		-
	$	29,488	$	33,149
Depletion and Amortization:				
San Andres	$	1,361	$	2,130
Brazilian Mines		2,804		1,932
Aranzazu		1,527		-
	$	5,692	$	4,062
Gross Margin:				
San Andres	$	(597)	$	4,384
Brazilian Mines		3,951		3,428
Aranzazu		(2,278)		-
	$	1,076	$	7,812

Revenues

Total sales revenue for the first quarter of 2019 decreased by 19.5% compared to the same period in 2018. The decrease in gold sales revenue is attributable to a 71.0% decrease in gold sales volumes in the San Andres Mine. The decrease of revenue during the quarter was partially offset by Aranzazu copper concentrate revenue of $10,665.

Cost of Goods Sold

Total cost of goods sold from San Andres during the first quarter of 2019 decreased by 59.3% in comparison to the same period in 2018 due to lower production and mine operation. Total cost of goods sold from Brazilian Mines during for the three months ended March 31, 2019 decreased by 16.2%.

Care-and-maintenance expenses

For the three months ended March 31,		2019		2018
Aranzazu mine	$	-	$	459
Serrote project		-		421
Rio Novo projects		291		-
Brazilian projects		485		120
	$	776	$	1,000

The care-and-maintenance expense for other Brazilian projects, Rio Novo projects, and the Aranzazu Mine (before reaching pre-commercial stage), mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets (*See Section 9, Related Party*

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Transactions).

General and administrative costs

For the three months ended March 31,		2019		2018
Salaries, wages and benefits	$	**1,138**	$	681
Professional and consulting fees		**637**		1,262
Legal, Filing, listing and transfer agent fees		**42**		112
Insurance		**180**		170
Directors' fees		**39**		43
Occupancy cost		**47**		67
Merger and acquisition		**-**		300
Travel expenses		**186**		85
Share-based payment expense		**118**		-
Depreciation and amortization		**32**		5
Other		**219**		284
	$	**2,638**	$	3,009

General and administrative costs include the following and comparing the first quarter of 2019 to 2018 primarily relate to the following items:

- Salaries, wages and benefits increased due to additional employees at Aranzazu
- Severance for administrative personnel
- Insurance fees increased due to additional coverage at Aranzazu and increased coverage at EPP
- 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

For the three months ended March 31,		2019		2018
Accretion expense	$	**343**	$	189
Interest expense on debts (note 14)		**689**		669
Finance cost on post-employment benefit		**-**		116
Other interest and finance costs		**15**		11
	$	**1,047**	$	985

The increase in interest expense on debts is related to the new debts mostly related to Aranzazu restart (refer to Section 7, Liquidity and Capital Resources. For further information, refer to the Financial Statements Note 11 and Note 11 (b)).

Other (losses) income

For the three months ended March 31,		2019		2018
Net loss on call options and fixed price contracts	$	**518**	$	(985)
Changes in fair value of gold loans		**-**		-
Change in estimate of provision for mine closure and restoration		**-**		-
VAT and other taxes recoveries		**-**		-
Gain on disposal of assets		**(1)**		744
Foreign exchange (loss) gain		**(413)**		1,369
Other items		**56**		(649)
	$	**160**	$	479

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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, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Revenue		**$ 36,256**	$ 34,165	$ 33,176	$ 45,338	$ 45,023	$ 38,734	$ 39,828	$ 44,247
Working capital		**6,179**	18,374	32,866	32,718	26,882	29,109	11,970	5,332
Property, plant and equipment		**214,441**	205,197	142,244	134,768	132,299	80,700	102,689	100,673
Impairment recovery (1,2)		**-**	53,701	-	-	-	10,007	-	-
Gain on acquisition of Rio Novo Project		**-**	-	- -		21,898	-	-	-
Gain on acquisition of EPP Project		**-**	-	-	-	-	-	-	-
(Loss) Income for the period		**(4,723)**	45,179	837	(5,330)	11,280	6,368	4,594	4,242
(Loss) Income per share									
	Basic	**$ (1.08)**	$ 10.42	$ 0.20	$ (1.20)	$ 3.10	$ 1.86	$ 1.37	$ 1.27
	Diluted	**$ (1.08)**	$ 10.26	$ 0.20	$ (1.20)	$ 3.10	$ 1.86	$ 1.37	$ 1.27

*[1] For the quarter ended December 31, 2017 impairment reversal recorded is related to the sale of MVV and the Serrote Project.
*[2] For the quarter ended December 31, 2018 impairment reversal recorded is related to restart of Aranzazu Mine.

7. LIQUIDITY AND CAPITAL RESOURCES

Management of the Company believes that our ongoing operations and associated cash flows, will provide enough 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.

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

During the three months ended March 31, 2019, cash increased from $10,507 at the beginning of the first quarter of 2019 period to $18,845 at the end of the first quarter of 2019. Details are as follows:

For the three months ended March 31,		**2019**		2018
Net cash generated by (used in) operating activities	**$**	**5,782**	$	5,739
Net cash generated by (used in) investing activities		**(2,683)**		25,555
Net cash generated by (used in) financing activities		**5,239**		(10,653)
	$	**8,338**	$	20,641

The increase in cash position of $8,338 during the three months ended March 31, 2019, was made up of:

- Cash flow from operating activities of $5,782 result of: net loss of $(4,723), items not affecting cash of $6,664 (see note 27(a) of the Financial Statements), changes in working capital of $4,998 (see note 27(b) of the Financial Statements), taxes paid of $(46), and changes in other assets and liabilities of $(1,111).
- Cash used in investing activities of $(2,683) result of: purchases of property, plant and equipment $(8,487), proceeds on sale of plat and equipment $240 and proceeds from short term investment of $5,564 of government and corporate bonds maturity.
- Cash flow used in financing activities of $5,239 result of: proceeds received from debts 8,568, repayment of short term loans $(1,997), repayment of other liabilities of $(174), repayment of lease liabilities $(654), repayment of stock options exercise $(44),and interest paid on debt of $(460).

As of March 31, 2019, the Company has the following debt obligations:

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

Financial debt		Total		Less than 1 year		1 - 3 years		4 - 5 years		After 5 years
Banco Occidente	$	**856**	$	856	$	-	$	-	$	-
Banco Atlántida		**6,314**		1,049		2,800		2,465		-
Banco ABC Brasil S.A.		**4,091**		1,766		2,325		-		-
Banco Santander Brasil		**4,557**		4,557		-		-		-
Yamana Loan		**1,461**		1,461		-		-		-
IXM S.A.		**20,122**		9,289		10,833		-		-
	$	**37,401**	$	18,978	$	15,958	$	2,465	$	-

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 follows: (i) $1,430 on April 16, 2018 (paid); (ii) $729 on July 13, 2018 (paid); (iii) $743 on October 13, 2018 (paid) and (iv) $758 on January 13, 2019 (paid). 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 Yamana's wholly-controlled subsidiary ("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 (paid) and September 30, 2018 (paid); (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, 2019 and as at the date of this MD&A, the Company has not entered into any contractual obligations that are outside of the ordinary course of business.

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

		Within 1 year		2 to 3 years		4 to 5 years		Over 5 years		Total
Trade and other payables		56,687		-		-		-		**56,687**
Short-term loans and gold loan repayment		18,978		15,958		2,465		-		**37,401**
Provision for mine closure and restoration		-		-		-		25,911		**25,911**
Other liabilities and Leases		2,946		4,847		-		-		**7,793**
	$	**78,611**	**$**	**20,805**	**$**	**2,465**	**$**	**25,911**	**$**	**127,792**

9. RELATED PARTY TRANSACTIONS

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 0.0053 of the Company's common share for

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every Rio Novo Share held (being an aggregate of 947,396 common shares of the Company). As part of the Merger, the Company also issued (i) 31,418 common shares to holders of Rio Novo deferred share units outstanding as of December 18, 2017 and (ii) options to acquire 10,700 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 (the "EPP 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 or controlled by Paulo de Brito has acquired the EPP NSR Royalty from SBMM. The Company was not a party to the negotiations between the entities and the transaction was not a related party.

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 December 31, 2018, the Company paid termination benefits to Acumen of $517 (2017: $455). As at December 31, 2018, the Company owed $62 (2017: $579) to Acumen, mainly related to termination benefits.

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the year ended December 31, 2018 and 2017 are as follows:

For the three months ended March 31,		**2019**	2018
Salaries and short-term employee benefits	**$**	**440**	$425
Termination benefits		**246**	-
	$	**686**	$425

As noted above and as result of the merge with Rio Novo, 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.

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

The Company has adopted the following new and revised standards, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

IFRS 16 Leases - The standard on leases was issued in January 2016 and is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The Company adopted IFRS 16 effective January 1, 2019, using the modified retrospective approach. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019. The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognized on the balance sheet as at December 31, 2018.

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12. CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim 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.

Please refer to Note 4 of the 2018 Annual Financial Statements for the 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.

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 four individuals, two of whom are not independent of the Company and two of whom are unrelated in that they are independent of management. Mr. Barbosa is currently not considered independent due to his role as President & CEO of the Company. Mr. Brito is not considered independent because of Northwestern. The Audit Committee is currently comprised of two 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, VP of Finance and Corporate Controller, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS. Management is also responsible for the design and effectiveness of disclosure controls and procedures ("DC&P"), under the supervision of the CEO, VP of Finance and Corporate Controller, to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. As at December 31, 2018, the Company's CEO, VP of Finance and Corporate Controller have certified that DC&P are effective and that during the first quarter of 2019, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

15. NON-GAAP PERFORMANCE MEASURES

In this MD&A, the Company has included realized average gold price per ounce sold, gross, realized average gold price per ounce sold - net of local sales taxes, hedging and gold loan repayments, cash operating cost per ounce 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

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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

For the three months ended March 31,		**2019**		2018
Revenue	**$**	**36,256**	$	45,023
Cost of goods sold		**(35,180)**		(37,211)
Care-and-maintenance expenses		**(776)**		(1,000)
General and administrative expenses		**(2,638)**		(3,009)
Exploration expenses		**(1,016)**		(1,002)
Impairment reversal		**-**		-
EBIT		**(3,354)**		2,801
Depreciation and amortization		**5,724**		4,067
EBITDA		**2,370**		6,868
Other items not included in EBITDA:				
Gain on disposal of assets		**(1)**		744
Other items in other gains (losses)		**56**		(649)
Depreciation and amortization		**(5,724)**		(4,067)
Net loss on call options and fixed price contracts		**518**		(985)
Change in estimate of provision for mine closure and restoration		**-**		-
VAT and other taxes recoveries		**-**		-
Finance costs		**(1,047)**		(985)
Changes in fair value of gold loans		**-**		-
Foreign exchange gain (loss)		**(413)**		1,369
Gain on acquisition of Rio Novo Gols Inc		**-**		21,898
Currency translation adjustment reversal		**-**		(15,827)
Gain on Sale of Mineração Vale Verde Ltda (Serrote)		**-**		3,945
Income (loss) before taxes		**(4,241)**		12,311
Taxes		**(482)**		(1,031)
Net income (loss)	**$**	**(4,723)**	$	11,280

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

For the three months ended March 31,		2019		2018
Cost of goods sold	$	**35,180**	$	37,211
Cost of production related to copper operation		**(11,416)**		-
Depreciation		**(5,692)**		(4,062)
Cost of production		**18,072**		33,149
Change in inventory		**182**		(1,351)
Other adjustments		**926**		(2,476)
Total operating cost of gold produced	$	**19,180**	$	29,322
Ounces of gold produced		**20,064**		33,915
Cash operating costs per ounce produced	$	**956**	$	865

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

For the three months ended March 31,		2019		2018
Gross gold revenue	$	**26,048**	$	46,671
Local gold sales taxes		**(457)**		(1,648)
Gold revenue, net of sales taxes		**25,591**		45,023
Realized gain (loss) from fixed price contracts		**(930)**		(1,499)
Gold revenue, net of local sales taxes and hedging	$	**24,661**	$	43,524
Ounces of gold sold		**20,016**		34,845
Realized average gold price per ounce sold, gross [1]	$	**1,301**	$	1,339
Realized average gold price per ounce sold, net of local sales taxes [1]		**1,279**		1,292
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	$	**1,232**	$	1,249

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, 2019, the Company had the following outstanding: 4,353,865common shares, 172,584 stock options, and 12,653 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

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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 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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