Management's Discussion and Analysis

For the years ended December 31, 2019 and 2018

Dated as of February 14, 2020

AURA MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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The management's discussion and analysis ("MD&A") has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and twelve months ended December 31, 2019.

Thus, this MD&A should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") audited condensed consolidated financial statements for the years ended December 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.

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.

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

- Cash costs per ounce of gold produced;
- Cash costs per copper pound produced

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

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

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

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

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

1. BACKGROUND AND CORE BUSINESS

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

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

Producing assets:

- *The San Andres Gold Mine ("San Andres","Minosa")* – an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, approximately 150 km southwest of the city of San Pedro Sula.
- *The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP", "Apoena")* – located in the southwest of Mato Grosso state, near Pontes e Lacerda in Brazil which consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto open pit mine, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japones open pit mine (on April 1, 2019, the Company declared commercial production) and the near mine open-pit prospects of Nosde and Bananal.
- *The Aranzazu Copper Mine ("Aranzazu")* – an underground mine operation in the state of Zacatecas, Mexico.

Projects:

- *The Almas Gold Project* ("Almas") – a gold project located in the state of Tocantins, Brazil. The Almas Gold Project consists of three deposits (Paiol, Vira Saia and Cata Funda) and several exploration targets, including Nova Prata/Espinheiro, Jacobina and Morro do Carneiro. Of these, only the three deposits have seen significant exploration work.
- *The Matupa Gold* Project ("Matupa") – Is a gold project located in the state of Mato Grosso, Brazil.
- *The Sao Francisco Gold Mine ("Sao Francisco")* – Is an open-pit heap leach gold mine located in the

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southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Currently in Care & Maintenance

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

2. FOURTH QUARTER AND YEAR END 2019 FINANCIAL AND OPERATING HIGHLIGHTS

Year overview

- The year saw increased tensions between the USA and China regarding commerce, continued concerns about the Brexit and tensions with Iran, and interest rate reductions over the world. As a result, we saw a surge in Gold prices, achieving an average of $ 1,393 / Oz, compared to $1,268 / Oz in 2018.
- On the other side, the same forces that pushed gold up depressed Copper prices, which recorded an average of $ 2.72/lb against 2.93 / lb recorded in the year of 2018.
- At Aura, the year was marked by the following main events:
  - The ramp-up of Aranzazu after commercial production was declared in December 2018. As discussed in more details on Section 4 – Review of Mining Operations, Aranzazu showed significant progress in the main operational KPIs throughout the year, with the fourth quarter close to full capacity and some critical KPIs – including, among others, recoveries – exceeding the results projected in the Study.
  - The resume of operations in Minosa on February 8, 2019, after being temporarily suspended since December 2018, as discussed in more detail on chapter 4- Review of Mining Operations. Due to the long leaching cycle and the ramp-up plan, the first and second-quarter results were lower than San Andres potential, but in the third and fourth quarters of the year, its production recovered to its production potential. Management believes there is still room for additional improvements.
- Because of the ramp-up of productions, although for different reasons, in Aranzazu and San Andres, management of Aura Minerals sees the results of the third and fourth quarters of the year as more representative of the company's potential. Nevertheless, management still believes there is room for further capacity and efficiency improvements.
- Finally, 2019 also marked advances in Geological developments in some of our operations and projects, as disclosed to the market through press releases and discussed in more detail in this document on Section 5 – Review of Mining Operations.

2.1 Operational Highlights

	Q4 QTD 2019	Q4 QTD 2018	**Q4 YTD 2019**	Q4 YTD 2018
OPERATING DATA				
Gold ore processed (tonnes)	**1.588.316**	1.455.534	**6.787.382**	7.444.275
Gold produced (ounces)	**33.432**	26.724	**114.307**	121.734
Gold sold (ounces)	**34.593**	26.424	**115.426**	125.455
Copper ore processed (tonnes)	**231.611**	146.151	**815.952**	146.151
Copper concentrate produced (dry metric tonnes "DMT")	**14.842**	6.289	**42.396**	6.289

- Gold produced in the fourth quarter of 2019 was 25% higher than the same period in 2018. In the year, gold production was lower because of the ramp-up in San Andres in the first and second quarters of the year.
- Copper concentrate produced continues to increase, driven by the ramp-up of Aranzazu,

Production and cash cost highlights

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

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

Twelve months ended, December 31, 2019	2019		2018	
	Oz Produced	**Cash costs per ounce of gold produced**	Oz Produced	Cash costs per ounce of gold produced
San Andres	**58,374**	**$ 931**	63,604	$ 1,009
Brazilian Mines	**55,933**	**$ 963**	58,131	$ 860
Total / Average	**114,307**	**$ 947**	121,734	$ 938

Three months ended, December 31, 2019	2019		2018	
	Oz Produced	**Cash costs per ounce of gold produced**	Oz Produced	Cash costs per ounce of gold produced
San Andres	**18,729**	**$ 868**	11,017	$ 1,173
Brazilian Mines	**14,704**	**$ 961**	15,708	$ 797
Total / Average	**33,432**	**$ 909**	26,724	$ 952

- Due to the restart of San Andres mine and the leaching cycle, the mine showed a higher than average cost in the first semester; however, it has reduced after reaching higher production in the third and fourth quarters of 2019.
- Copper production and cash operating costs per ounce produced[1] for the three and twelve months ended December 31, 2019, and 2018 were as follows:

Twelve months ended, December 31, 2019	2019		2018	
	Copper Pounds Produced ('000 Lb)	**Cash costs per copper pound produced**	Copper Pounds Produced ('000 Lb)	Cash costs per copper pound produced
Aranzazu	**33,067**	**$ 1.41**	1,445	$ 2.82

Three months ended, December 31, 2019	2019		2018	
	Copper Pounds Produced ('000 Lb))	**Cash costs per copper pound produced**	Copper Pounds Produced ('000 Lb)	Cash costs per copper pound produced
Aranzazu	**10,997**	**$ 0.97**	1,445	$ 2.82

2.2 Financial Highlights

	For the three months ended December, 2019	For the three months ended December, 2018	**For the tweleve months ended December 31, 2019**	For the tweleve months ended December 31, 2018
FINANCIAL DATA				
IFRS Measures				
Net revenue	**$ 69,653**	$ 34,165	**$ 226,202**	$ 157,702
Gross Margin	**23,877**	377	**48,261**	17,275
Income for the year/period	**29,725**	45,180	**24,887**	51,966
Shareholder Equity	**$ 195,620**	$ 174,421	**$ 195,620**	$ 174,421
Non IFRS Measures				
Adjusted EBITDA	**27,173**	(244)	**53,825**	22,139
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	**39%**	-1%	**24%**	14%
Net Debt	**3,854**	9,946	**3,854**	9,946

Net Revenues

- Net revenues in the fourth quarter of 2019 increased $35,488 compared to the same period of 2018 as a result of increased production and revenues from copper concentrate produced by Aranzazu ($20,924) and increased production and revenues in San Andres ($12,960) and higher gold prices.

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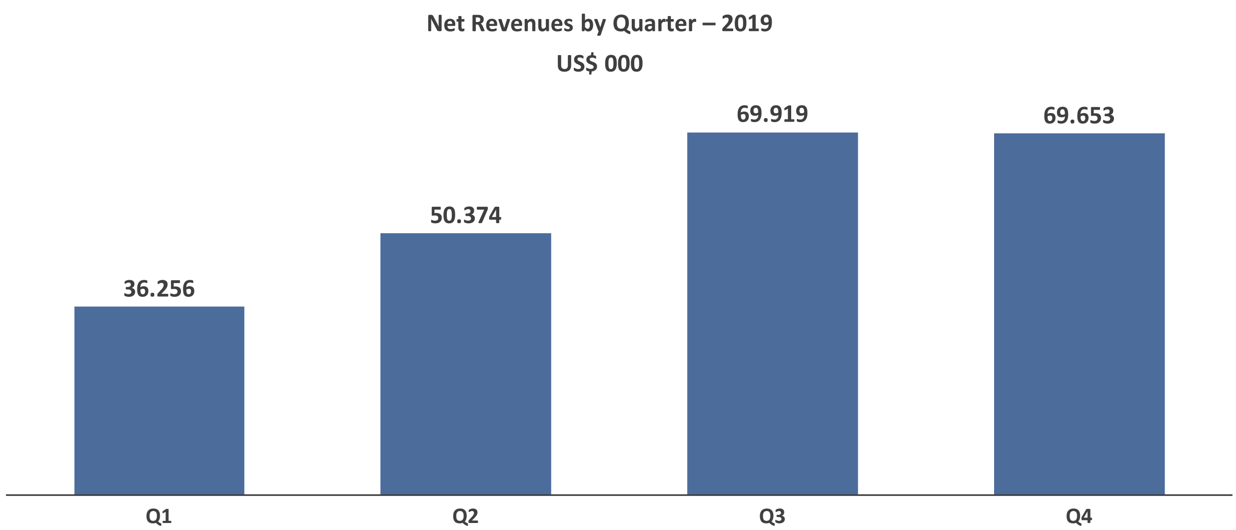
- In the twelve months, ended on December 31, 2019, net revenues achieved $ 226,202, an increase of $ 68,500 vs. 2018, mainly because of:
    - Increase of revenues of USD 68.4 million from Aranzazu. Aranzazu declared commercial production in December 2018.
    - Increase of USD 12.6 million due to the increase in the average gold price in 2019 and vs. same period of 2018 and as a result higher revenue from gold sales by subsidiaries Apoena and San Andrés
    - Reduction of USD 13.1 million in San Andres, due to a reduction of 9,423 ounces of gold sold compared to 2018, due to the resumption of activities in San Andrés in February 2019, which had been suspended in December 2018. Due to the long production cycle due to the heap leach process, the first half of the year was below the potential of the business unit

Net revenues have been increasing since the fourth quarter of 2018 and stabilized in Q4 2019, as result of the Aranzazu and San Andres ramp up and higher gold prices, achieving close to US$ 70 million in Q3 and Q4, as shown in the chart below:



Gross margin

- The gross margins have been improving supported by the ramp-up with better performance in Aranzazu and San Andres (see Chapter 4 – review of mining operations) along with higher Gold prices
- As a result, gross margins increased from $377 in the fourth quarter of 2018 to $23,877 in the fourth quarter of 2019, with positive results in all three operations.

Income for the period

- Income for the period reached $29,725 in the three months ended December 31, 2019 (fourth quarter) compared to an income for the period of $45,180 in the fourth quarter of 2018. 2018 fourth quarter Income for the period has positively impacted the reversal of impairment in Aranzazu.
- For the twelve months ended December 31, 2019, Income for the year reached US$ 24,887 vs. US$ 51.966 in the twelve months ended December 31, 2018.

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Shareholder's Equity

As of December 31, 2019, shareholders' equity was $195,6 million, compared to $174.4 million on December 31, 2018, this increase, of $21.1 million, was mainly due to the increase in retained earnings in the year ended December 31, 2019.

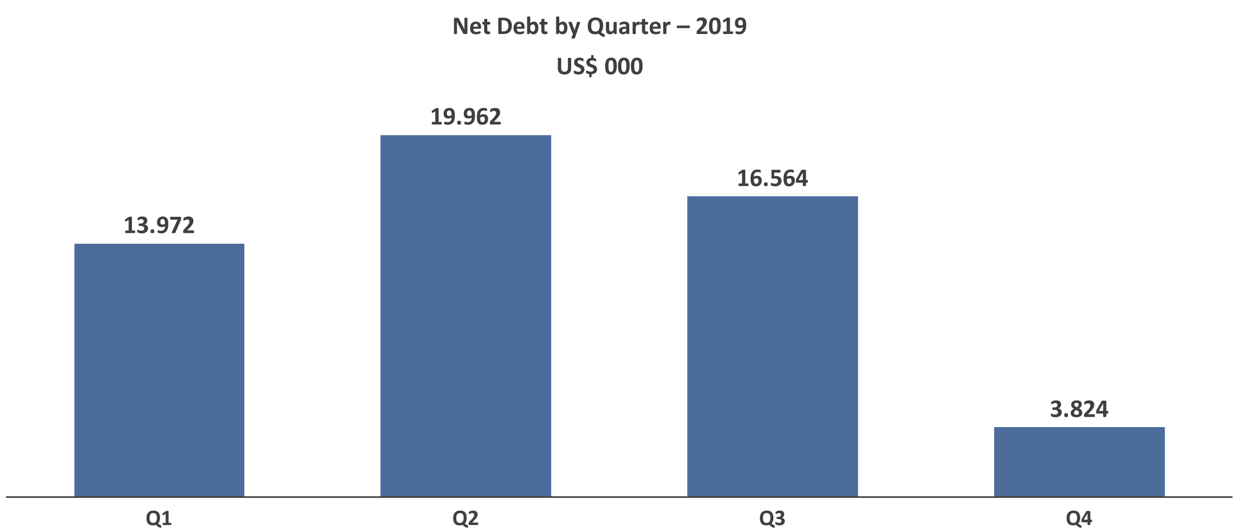
Additionally, the Company has declared dividends of $3 million was paid out in January 2020.

Adjusted EBITDA

- Adjusted EBITDA achieved $27,173 in the fourth quarter of 2019, against $(244) recorded in the same period of 2018, as result of improvement of operating performance and better gold prices.
- Adjusted EBITDA also reached $53,825 in the twelve months ended in December 2019, against $22,139 recorded in the same period in 2018.

Net Debt

- Due to its strong cash generation in the second semester in 2019, Aura showed increased positive cash flows from operating activities, which reduced its net debt.
- Net debt in the fourth quarter of 2019 reached $3,854, against $9,946 in the same period of 2018. Compared to the previous quarter net debt reduced, mainly as a result of cash generated by operating activities.
- Throughout the year, net debt increased in the first and second quarters due to the ramp up Aranzazu (high Capex and working capital needs) and the restart of Minosa (mostly working capital). In Q3 and Q4, net debt reduced significantly as the two operations reached higher production.



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Revenue components and highlights

		For the three months ended December, 2019		For the three months ended December, 2018		For the twelve months ended December 31, 2019		For the twelve months ended December 31, 2018
Gold revenue		**47,366**		34,497		**159,071**		162,220
Copper concentrate revenue		**23,273**		2,349		**70,705**		2,349
Gross Revenue		**70,639**		36,846		**229,776**		164,569
Ounces sold								
San Andres		**18,748**		11,118		**56,722**		66,145
Brazilian Mines		**15,845**		15,306		**58,704**		59,310
Total ounces sold		**34,593**		26,424		**115,426**		125,455
Gold sales revenues, net of local sales taxes	**$**	**46,380**	$	31,816	**$**	**155,497**	$	155,353
Average gold market price per oz (London PM Fix)	**$**	**1,481**	$	1,278	**$**	**1,393**	$	1,268
Realized average gold price per ounce sold, gross	**$**	**1,369**	$	1,306	**$**	**1,378**	$	1,293

Divesture – Mineracao Vale Verde Ltda (MVV-Serrote)

On December 1, 2017, the Company announced that it had entered into a purchase and sale agreement to sell MVV, which owns the Serrote Project for an aggregate consideration of $40 million. The aggregate consideration of $40 million was made up of a cash payment of $30 million (paid), as well the delivery by the purchasers of a subordinated unsecured note in the principal amount of $10 million, payable from 75% of excess cash from the project after the project has repaid project financing and operating cash requirements (contingent consideration).

During the year of 2019, it was disclosed in the Brazilian media several news about potential developments of the project, including the acquisition of equipment, advances in the negotiations between the MVV-Serrote and potential lenders to the project finance, the hiring of direct and indirect employees for the Serrote project and the signing of a long term contract with a mining contractor company. Advances in the project increase the probability that the Company will collect $10 million in the future from the unsecured note. The subordinated unsecured note will be recognized when, in management's judgement, it is probable that the payment will occur, and that the amount recorded will not reverse in future periods. The Company will continue following the advances on the project in order to reassess the fair value of such note at each reporting date.

3. OUTLOOK AND KEY FACTORS

Management expects operational performance observed in the second semester of 2019 to continue throughout the whole year of 2020 in addition to some improvements as indicated bellow:

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

San Andres: the expected absence of interruption and access to areas with more favorable grades/recoveries should also take production to levels already historically seen in favorable years. Capex will be higher than usual due to needed investments to access certain areas and the development of a new leaching pad, which is expected, in its first phase, to guarantee at least another two years of operations.

Aranzazu: we expect operations KPIs to continue to be close or above the levels indicated in the FS (as already seen in Q4 2019) impacting to lower cash costs for 2020FY vs. 2019FY. We are also on advanced stage studies to increase production capacity by around 30%, which should impact production in 2021.

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Sao Francisco: the mine had been in operation over 10 year, and it is 85 Km from our current operation EPP. In 2016, the mine was placed in Care and Maintenance without relevant investment in geology on the previous years. New analysis and initial geology studies will be carried in order to understand its potential for a restart

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

Matupa: we plan to continue to develop the geology in order to increase the resources. Today we have 332,400 Oz in Measured & Indicated resources and expected to increase resource base substantially to start the mine plan, engineering, and feasibility in the following year. In addition, as there are evidences of a potential copper porphyry, we plan to invest in geology to further investigate it.

Tolda Fria: the project already has 947,000 OZ in inferred Resources, and management is still exploring what would be next steps

In December 2019, the Board of Directors of the Company approved the 2020 Capex plan of the Company in the amount of $ 58.0 million, as indicated below:

- US$ 12.3 million for the development of new mine and projects
- US$ 4.5 million for Near Mine Exploration (not included here Regional Exploration)
- US$ 14.7 million for new phases / production expansion within existing projects
- US$ 26.5 million for other uses

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

4. SAFETY, ENVIROMENT & COMMUNITY

Safety

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

Apoena

During the year 2019, Aura Apoena updated SIGA – Apoena's Integrated Management System on Health, Safety, Environment, and Relationship with the Community. The system also controls all company documents that require registration and monitoring.

During 2019, we evaluated 542 of the main Legal Requirements of the Brazilian Legislation, which represent more than 2,000 items. We trained 33,300 hours for 384 of our own employees and 535 employees from third parties. We carried out 4,882 Safety Interactions. We have also carried out 23 information campaigns in the areas of health, safety, and the environment, and we also carried out 416 safety inspections.

Aranzazu

During the year of 2019, Aura Aranzazu invested the equivalent of 32,633 worked hours in treatment on safety standards, procedures and safety behavior. The main achievement during the year was completing Aura´s Standards Implementation for Health, Safety, Environmental, and Social. In total 228 standards and procedures were implemented and trained during the year. A digital platform called "Portal de SSMAC" was implemented to manage all the activities related to SHEC areas. As a result of those improvements and the learning curve after 2 years of operation, Aranzazu reduced in 96% the Total Frequency Rate of incidents from 11.7 in 2018 to 0.47 in 2019.

San Andres

During the year 2019, San Andres trained 1,953 people with 28,948 hours of safety induction training for first admission, critical task procedures, and retraining of operational process procedures. San Andres initiated a pilot plan with Maintenance Management in Critical Control Management for high-risk tasks, achieving 100% implementation compliance. This helped security management in prolonged scheduled maintenance shutdowns. After this achievement, a similar process began with Process Management.

In March 2019, the hauling contractor had a fatal accident that generated a strong response from management on the San Andres' controls over service its providers. Since that month, no accidents were recorded with lost time. The frequency rate went down 92% from March to December, from 6.03 to 0.47.

San Andres' Occupational Health met 100% of occupational examinations of alcohol and drugs programmed and biologic monitoring for heavy metals with people in exposure areas.

Aura's Geotechnical Safety

Aura's operations have tailings dams at the operating units in Brazil and Mexico and a heap leach pad at the Honduras operation that follow safety and risk management standards. Dams and heap leach pad were designed by renowned engineering companies in the market, following the regulations in force in each country and the best mining practices. All dams have an operating manual that indicates the frequency of instrumentation reading, level controls, field inspections, etc. The data collected from the instruments and inspections are sent monthly to specialized consulting companies that evaluate the data and issue compliance reports that indicate safety conditions and recommendations when necessary. The implementation of a corporate management system to standardize the security management of geotechnical structures was initiated in 2019 and is expected to be completed in 2020. In

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2019, we had the support of companies such as SRK, Wood, GHT, DAM and Geoconsultoria. All dams and heap leach pad that are currently in operation or in C&M are in satisfactory stability.

Community

2019 has a special meaning for Aura Minerals. If we can define the improvements and achievements in the Social Responsibility field in one word, it would be "Sustainability". All programs and activities developed by our units in Brazil, Honduras, and Mexico are based on the United Nations' Sustainable Development Goals. The company's role is more strategic, at this moment, and focused on generating positive social and economic opportunities in those countries to further benefit the local communities around the mines. This principle agrees with our 360° mining concept that supports our desire to be in a constant state of evolution – looking for ways to get better at what we do and build a stronger, smarter, and sustainable mining company. 360° mining values will guide us to achieve our vision which is to be one of the most trusted, responsible, well-respected, and results-driven mining companies. Aura was created to find, mine and deliver the planet's most important, and essential minerals that enable the world and humankind to create, innovate and prosper. We believe that is also our mission to give the right tools for the communities to prosper through initiatives like:

Apoena - United Nations' Sustainable Development Goal: Quality Education

Entrepreneurship Education Program: 3,100 kids, teenagers, and adults learned in 2019 how to start a business through theoretic classes and on-the-job trade fair. The program benefits students of public schools in three cities: Pontes e Lacerda, Porto Esperidião, and Vila Bela da Santíssima Trindade.

As a result of this initiative, teens like Maria Clara Chiesa, 17 years old, became entrepreneurs. She opened a Cake store:
www.instagram.com/dolcicakes_17.

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

Workshop "Art in Leather": Course offered in Concepción del Oro to the community. During the workshop, the students started selling the products. Friends and neighbors were the first customers. Aranzazu also ordered an accessory used by the geology team from the newly formed entrepreneurs. The main achievement in 2019 was reestablishing a good relationship with the local community after the Care & Maintenance period to better understanding the opportunities and define the right way to help the community to prosper. More than 50 social initiatives were implemented in 2019 as agreed with the government for Adult Education as well as capacitation for the community in different areas including Welding, Electrical/Mechanical maintenance and, hand crafts producers.

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

Christmas campaign: 400 food baskets delivered to the communities in vulnerable situation. Monthly Minosa donates food to local elderly people. The donations campaigns in Brazil, Honduras and Mexico are developed with the support of our employees and partners. All the food and products delivered come from them. They are conscious about their role in Aura Minerals' Social Responsibility strategy and are very engaged on that.

Aura's Ethical Committee

Since 2018 the company implemented and rolled out to all business units an independent whistleblower channel. Any stakeholder can call a hotline and make anonymous reports. Then, the claim is informed to the Ethics Committee, which is chaired by the CEO, and it reviews and discusses 100% of the claims, triggering important recommendations when needed.

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5. REVIEW OF MINING OPERATIONS AND EXPLORATION

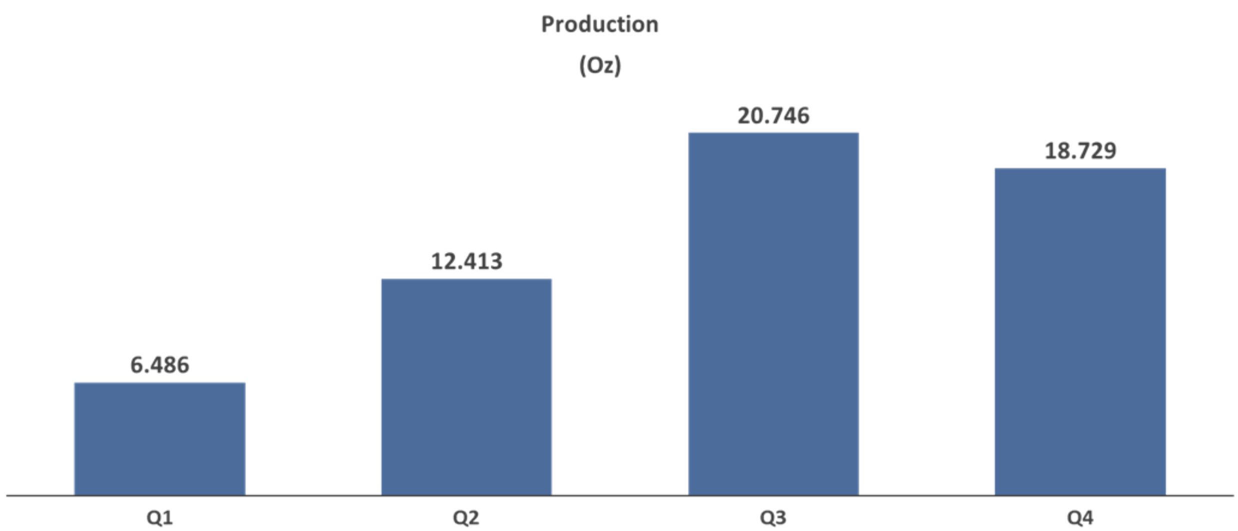
San Andres, Honduras

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

Operating performance:

As a result of its long leaching cycle, San Andres increased its production during the second semester reaching 20.7 thousand Oz on Q3 and 18.7 thousand Oz on Q4. The lower production in Q4 compared with Q3 is a result of excess of rain and lower mine grade as part of its sequencing.

Due to few individuals that were constantly interrupting San Andres' operation, management decided to suspend its activities while seeking for legal support to safely resume the operations. After an unprecedent support from local communities and full support from legal authorities in order to maintain rule of law in private properties, on February 8, 2019, Minosa decided to progressively restart its operations and issued an official statement to its collaborators, suppliers, authorities, and the general public.



While it had limited impact over its production in 2019, during December, San Andres changed its main contractor to operate the mine once the former contractor had been accused by local authorities for suppose conduct of illegal activities in the country.

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The table below sets out selected operating information for San Andres for the three and twelve months ended December 31, 2019 and 2018:

	For the three months ended December, 2019	For the three months ended December, 2018	For the twelve months ended December 31, 2019	For the twelve months ended December 31, 2018
Ore mined (tonnes)	**1,178,232**	1,101,262	**5,178,049**	6,042,075
Waste mined (tonnes)	**871,840**	756,572	**3,766,406**	4,109,579
Total mined (tonnes)	**2,050,072**	1,857,833	**8,944,455**	10,151,653
Waste to ore ratio	**0.74**	0.69	**0.73**	0.68
Ore plant feed (tonnes)	**1,175,933**	1,107,947	**5,172,718**	6,065,192
Grade (g/tonne)	**0.44**	0.41	**0.48**	0.42
Production (ounces)	**18,729**	11,017	**58,374**	63,604
Sales (ounces)	**18,748**	11,118	**56,722**	66,145
Cash costs per ounce of gold produced	**$ 868**	$ 1,173	**$ 931**	$ 1,009

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

- Ore mined increased by 7% in the fourth quarter of 2019 compared with the fourth quarter of 2018 due to increasing in the mine fleet and access to new areas
- San Andres had less 15% more waste movement within the fourth quarter of 2019 compared with the fourth quarter of 2018 due to material conversion from waste to mineral
- There was an increase in 6% in plant feed due to better performance of plant process and higher ore availability on Q4 2019, with better conditions for stacking
- Grades increased by 7% in the fourth quarter of 2019 vs. the fourth quarter of 2018 due to access to better areas for mining
- Increase in production in the fourth quarter of 2019 compared with 2018 as a result of the higher volume, better grades and improved recoveries
- Most relevant effect of cash cost reduction within the quarter (-26%) was higher volume, better grades and higher recoveries in comparison to same period of 2018, leading to a higher production (+70%) with small increase in total tonnes moved (+10%).

Other developments

On July 29, 2019, San Andres also had another pre-informed consent from local communities and socially-permitted a new area to mine while maintaining its commitment to fully support the communities with social benefit such as health, education, road maintenance among others. The amendment to a 2016 agreement was signed by relevant stakeholders, such as the Board of Trustees of the nearby village, the Mayor of the Municipality of the Copan Union, members of the Central Government and the Company.

On August 16, 2019, The Ministry of Environment of Honduras, awarded San Andres the award, “Virtud Verde”, for its engagement in the processes of natural resources and biodiversity management in Honduras. “Virtud Verde Award” was given to the Institutions and Organization that have worked closely with MiAmbiente.

Strategic developments and geology

As part of a new plan to improve efficiency by higher recoveries, In the 2nd half of 2019, San Andres invested in infill and condemnation drilling. A total of 98 drill holes were executed, totaling 7,171 m. Part of the infill program 79 drills and 5209.5m drilled) corresponds to the areas of Fault A where one of the main conduit with high grades exist.

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

Average grade fault A zone is 0.4 to 0.5 gp/t , with some pockets of higher grades (0.60 and 3.0 gpt) exist that can expand current reserve pit footprint and lead to increasing grade and tons from this A zone. On East Ledge North (ELN1) area, the continuation of the main ore conduit. can be found at depth with variable grades from 0.6 gpt to 2.25 The result of drilling both in ELN1 and ELN2 provides better mine plan for 2020.

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

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

In 2020 the operational plans contemplate mainly oxide ores from the Esperanza push back. This will allow for higher recoveries and higher grade which will translate to higher potential production in 2020.

Ernesto and Pau-a-Pique (EPP):

Introduction

EPP is located in Mato Grosso, Brazil, approximately 450 km west of Cuiabá, the state capital and 12 km from the town of Pontes e Lacerda. The complex consists of a processing plant fed by satellites mines such as Lavrinha, Japones, Rio Alegre and Ernesto Open pit mines and the Pau-a-Pique underground deposit. Other significant mines, such as NOSDE and Japones extension deposits are located nearby and are in different stages of development and exploration.

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

Operating performance

2019 was marked by the following events:

- Successful start of Japones mine, reaching 17% higher ore moved in comparison to original mine plan
- Increasing strip ratio for the Lavrinha mine, reaching a yearly average of 24 times, as consequence of pushback efforts in order to deepening the pit and increasing life of mine
- Pau-a-Pique getting closer to the end of Life of Mine, although exploration continues to check the possibility to extend further than 2020. Currently 17,000 Oz. gold is in 2020 mine plan and 8,000 Oz. in inferred category. The expectation is to replace depleted ounces with expanding of inferred resource at depth by end of 2020.

In December, the company started mining operations at the high-grade Ernesto mine. Since this mine is still in Pre-stripping phase, we expect Ernesto to generate positive cash flows in the second semester of 2020.
The Nosde mine is expected to declare commercial production by the end of 2020, and Rio Alegre project should contribute marginally to EPP production in 2020.

The table below sets out selected operating information for EPP Pau-a-pique underground mine for the three and twelve months ended December 31, 2019, and 2018.

	For the three months ended December, 2019	For the three months ended December, 2018	For the twelve months ended December 31, 2019	For the twelve months ended December 31, 2018
Ore mined (tonnes)	**322,915**	354,148	**1,400,979**	1,452,268
Waste mined (tonnes)	**3,195,472**	1,970,561	**12,140,020**	9,208,523
Total mined (tonnes)	**3,518,387**	2,324,709	**13,540,999**	10,660,792
Waste to ore ratio	**9.90**	5.56	**8.67**	6.34
Ore plant feed (tonnes)	**412,383**	347,587	**1,614,664**	1,379,083
Grade (g/tonne)	**1.16**	1.46	**1.13**	1.39
Recovery (%)	**95.7%**	96.1%	**95.2%**	94.7%
Production (ounces)	**14,704**	15,708	**55,933**	58,131
Sales (ounces)	**15,845**	15,306	**58,704**	59,310
Cash costs per ounce of gold produced[1]	**$ 961**	$ 797	**$ 963**	$ 860

- Ore mined (tonnes) within the fourth quarter of 2019 was 9% lower in comparison to the same period of 2018 due to due to push-back in Lavrinha and lower ore moved from Pau-a-Pique. Due to mine limited operational capacity, the increase on strip ratio in depth causes decrease on monthly production of ore.
- Total waste mined (tonnes) within the quarter was 62% higher in comparison to fourth quarter of 2018 due to necessity of accessing deeper areas in Lavrinha mine, according to original mine plan and as part of the mine natural features
- Ore plant feed (tonnes) of fourth quarter was 19% higher in comparison to same period of 2018 due to increasing productivity on throughput (from 195 ton/hour average in Q4' 2018 to 200 ton/hour in Q4' 2019) as consequence of process improvements at the plant, increasing capacity. Ore feed above ore mined volume within the period as consequence of 214 thousand tons fed from low grade stockpile.
- Ore grade (g/tonne) 21% lower in comparison to same period of 2018 due to 41% lower ore fed from high grade mine of Pau-a-pique
- Production (ounces) was 6% lower in comparison to same period of 2018 as consequence of Ore Grade in the period, for the reasons explained above
- Average cash cost per ounce of gold produced was 21% higher within the quarter of 2019 in comparison to same period of 2018 as consequence of higher strip ratio and lower gold production

Strategic developments and geology

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

Apoena invested on exploration work. A total of 192 holes were drilled, totaling 19,942m.

168 holes, totaling 14,772m, were done for infill/extension drilling to convert inferred resources to Measured and Indicated in Lavrinha, Japones and Nosde mines. The mineralization is still open downdip in Nosde and Lavrinha and additional works are planned for first semester of 2020.

The results have been successful for Open Pit mines and is expected to increase LOM for Lavrinha, Japones and Nosde deposits. Additional exploration in Lavrinha and Japones add approximately 11,000 Oz. and 8000 Oz gold respectively which replaced the depleted ounces in reserve. Infill drilling in Nosde convert 75% ore body to Measured and Indicated.

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

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

Bananal is an exploration target located 22km south of the EPP plant. Superficial and drilling follow up work was conducted during 2019, showing important Au mineralization potential. 24 exploration holes, totaling 5,170m, were done and confirmed Au mineralization continuity along at least 300m strike length. The mineralization is still open in strike and downdip and additional work is planned in 2020 to determine resources and reserves. An inferred resource established what we believe can be easily doubled in terms of volume and the plan is to delineate it during Q3 and Q4 of 2020.

Aranzazu

Introduction

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

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

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

Operational performance

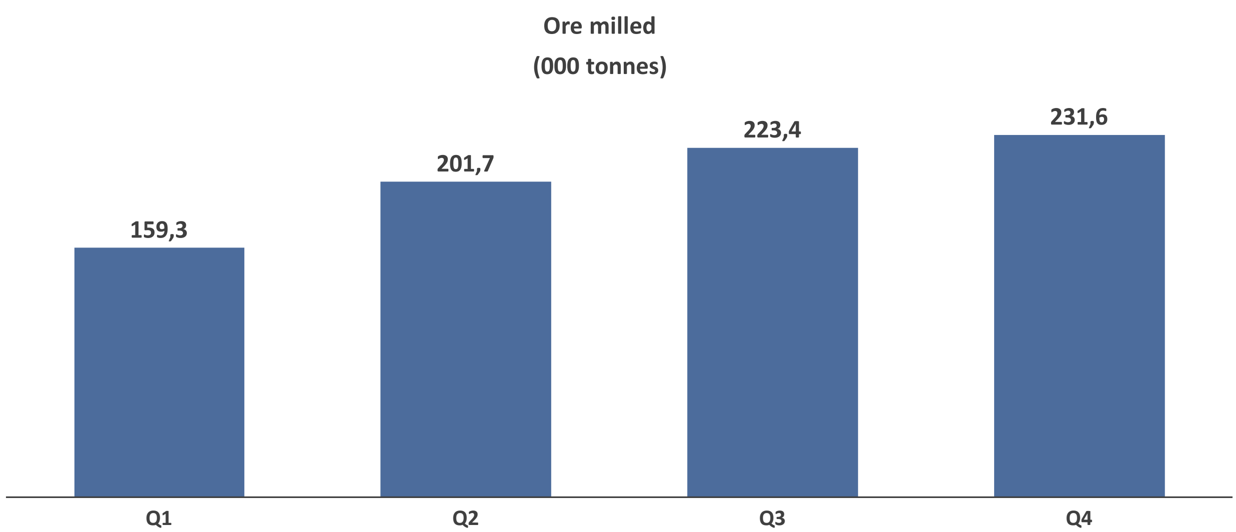
While the operating performance showed potential to be better than expected, the geological overall results of the project have been very robust and consistent with the latest 43-101 issued in 2018 before the restart of the mine.

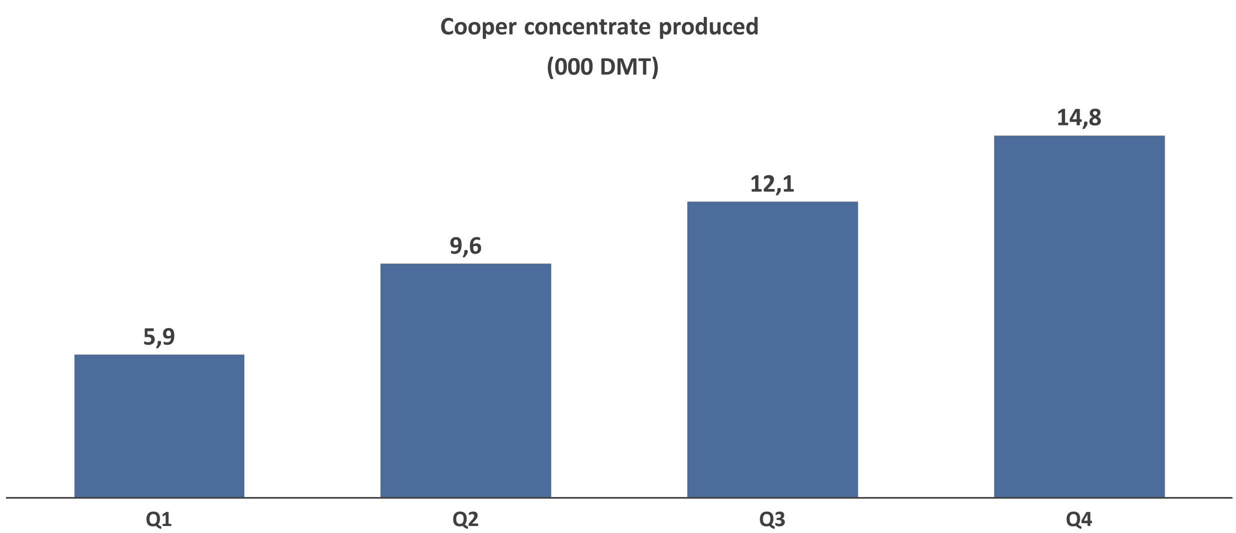
Throughout the year, production both at the mine and the plant has ramped-up consistently, achieving during Q1 and Q2, stabilization / positive CF in Q3 and close to full current capacity in Q4.

During Q4 2019, certain operational KPIs, such as recoveries, have exceeded the results projected in the Feasibility Study, as detailed further below. In addition, for 26 days during the fourth quarter of 2019, plant throughput higher than 3.000tpd was achieved.

The chart below highlights the increase in performance over each quarter, for the following KPIs: ore milled, production

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





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

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

	For the three months ended December, 2019	For the three months ended December, 2018	For the tweleve months ended December 31, 2019	For the tweleve months ended December 31, 2018
Ore mined (tonnes)	**206,502**	153,129	**760,789**	153,129
Ore processed (tonnes)	**231,611**	146,151	**815,952**	146,151
Copper grade (%)	**1.57%**	1.30%	**1.40%**	1.30%
Gold grade (g/tonne)	**0.98**	0.66	**0.84**	0.66
Silver grade (g/tonne)	**22.54**	15.48	**20.17**	15.48
Cooper recovery	**89.0%**	86.4%	**87.9%**	86.4%
Gold recovery	**78.5%**	69.6%	**76.3%**	69.6%
Silver recovery	**61.9%**	56.5%	**59.0%**	56.5%
Concentrate production:				
Cooper concentrate produced (DMT)	**14,842**	6,289	**42,396**	6,289
Cooper contained in concentrate (%)	**21.9%**	26.3%	**23.8%**	26.3%
Gold contained in concentrate (g/DMT)	**12.0**	9.3	**12.3**	9.3
Silver contained in concentrate (g/DMT)	**217.7**	225.2	**227.1**	225.2
Copper pounds produced ('000 Lb)	**10,997**	1,445	**33,067**	1,445.0
Cash costs per copper pound produced	**$ 0.97**	$ 2.82	**$ 1.41**	$ 2.82

Aranzazu recognized a credit note in Q4 2019 with the principal mining contractor due to mutual agreement related to costs incurred in the year, which had a direct impact on decreasing Q4 2019 total cash costs per copper pound produced from $1.19 to $0.97.

Mine operation stabilized with no major variance versus previous quarter and in accordance with the plan. Ventilation improvement and constant delivery of ore to the plant were the highlighted activities during this quarter.

- Plant production increased 4% versus the previous quarter. Also, more than 3.000tpd was achieved for 26 days in the quarter. All of these was possible due to the improvements and controls made in the plant.
- Lower grade ore (oxidised ore from the stockpile) was fed to the plant to take advantage of the higher than throughput achieved.
- Cu grade was 6% above previous quarter (1.48%) mainly coming from Glory Hole deposit confirming the Geological model consistence
- Gold grade was 10% above Q3 (0.89 g/t) mainly due to Glory Hole contribution in accordance with the plan, proving the higher gold grade in Glory Hole
- Cu recovery was 2% above previous quarter (88%) mainly due to plant improvement and better management of flotation reactives. These are overall results considering Sulfide and Oxide Ore (oxide processed from old stockpile to fill the spare capacity in the plant). When considering just the ore from the Mine (Sulfide), the Cu recovery was over 90% in the quarter, 2% better than considered in the Feasibility Study
- Au recovery increased 2% when compared with Q3 (77%) mainly due to improvements in the flotation circuit and changes in the chemicals. Considering just the Sulfide ore, gold recovery was close to 80%, 14% higher than FS
- A new record of concentrate production since commercial production started (22% above previous quarter which was 12,119 DMT)
- Gold production in the period was 17% higher than the previous quarter (5.724 Oz vs 4.879 Oz) due to the higher grade from Glory Hole and a 7% increase in recoveries for the Sulfide Ore

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

Other developments

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. Construction of the new tailings disposal facility (TD5) was completed on April 5, 2019.

Strategic developments and geology

In 2019, Aura conducted an exploration data review, geological mapping and surface sampling at Aranzazu near mine district. An airborne magnetic survey was also undertaken by New-Sense Geophysics Ltd3D magnetic inversion indicated that the main mine area (Glory Hole Skarn) is significantly open downdip and a drilling program was initiated in the end of 2019 with expectation to finish in the beginning of Q2 2020. Geological mapping and sampling, along with geophysical data, are generating a significant amount of new early stage targets in the district, mainly at El Cobre and Cerro Conejos Zone, where significant high-grade veins and new skarns zones have been found.

In 2020 Aura plans to further invest in Geology between $5M and $8M in Aranzazu. The main objective is to convert significant part of existing inferred resources to M&I in the glory hole zone and also to further explore the regional targets.

Management is currently evaluating an advances stage project aimed to increase production capacity by up to 30% on an annual basis in parallel with the Exploration plan mentioned above and will keep the market informed on potential developments.

Almas Project

Almas is 100% owned by Aura Minerals and is located in the municipality of Almas, in Tocantins State, Brazil. The Project consists of three separate open pit mining areas and a central processing facility. The Almas Gold Project's three main gold deposits, Paiol, Cata Funda and Vira Saia are along a 15 km long corridor of the Almas Greenstone Belt which hosts numerous orogenic gold occurrences.

Almas Project contain 762,000 Oz. of Au in Measured and Indicated categories A mine plan is also concluded by SRK which estimated 534,000 Oz. of Au in proven and probable reserve category.

Currently, Aura is focusing on the engineering phase with the objective of downsizing and selecting the best throughput tonnage for the plant and improving its economic performance when compared with Rio Novo's studies. This is expected to be achieved through a combination of lower operational costs tapping on Aura's existing operational partners in Brazil, improved gold grades through more selective mining and a lean-but-rational capital expenditure philosophy. After commercial production, management plans to invest in geology and explore alternatives to further improve production and cash flows.

The Company has commenced a study (the "Study"), which will incorporate a newly defined project execution strategy aiming at reducing capital expenditure requirements and optimizing project cash flows. During the second quarter of 2019, the Company engaged "Ausenco," an engineering contractor, to support the development of the study and "SRK" to assist with mine scale studies. The Company plan to generate a new production plan as part of the Feasibility study and basic engineering during 2020 and declare commercial production in 2022. However, the ability to reach this deadline also depends on variables such as final environment and operation licencing.

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

Matupa

Matupá's mineral rights comprises of about 816 square kilometers of prospective land located within the prolific Alta Floresta gold province in the state of Mato Grosso, Brazil. The property was acquired through the merger with Rio Novo in 2018 and is composed of 18 mining permits. The project benefits from excellent infrastructure in the region such as good roads, power, water and qualified workforce.

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

With the existing 332 k Oz or M&I resources and high grade new discoveries Matupa has the potential to become a gold mine operation, similar in size to Almas. During 2020, Aura plan to invest US$ 1.2 MM in geology with the objective to further increase the reserves to be able to start the mine and engineering phase subsequently.

Indication of a possible copper porphyry: although Aura was not focusing on it during the merger with Rio Novo, during the last years it was found a strong Indication of a possible copper porphyry. Historical exploration data review undertaken in 2018 noted a significant copper and molybdenum anomaly located 1.8 kilometers from the X1 deposit and anomalous copper occur in hole FX1D0047 with 173m @ 0.11% Cu, from 20.5 to 193.56m (end of hole).

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

São Francisco

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

The São Francisco gold mine had been in operation over 10 years and, has been in Care & Maintenance since 2016.

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

During previous cash-constrained years, minor near-mine exploration was done and the reserves were depleted . Aura is evaluating alternatives to restart the Project. The geological district is promising, and 4 target areas were already identified such as South Dome, South Canyon, Area 3 and Area 5. During 2020 a limited drilling program is planned to investigate potential new updated resources and establish an updated reserve

Tolda Fria

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

With 947.000 Oz of Gold in Inferred Resources, the Company continues to assess possible ways for further developing Tolda Fria

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

6. RESULTS OF OPERATIONS

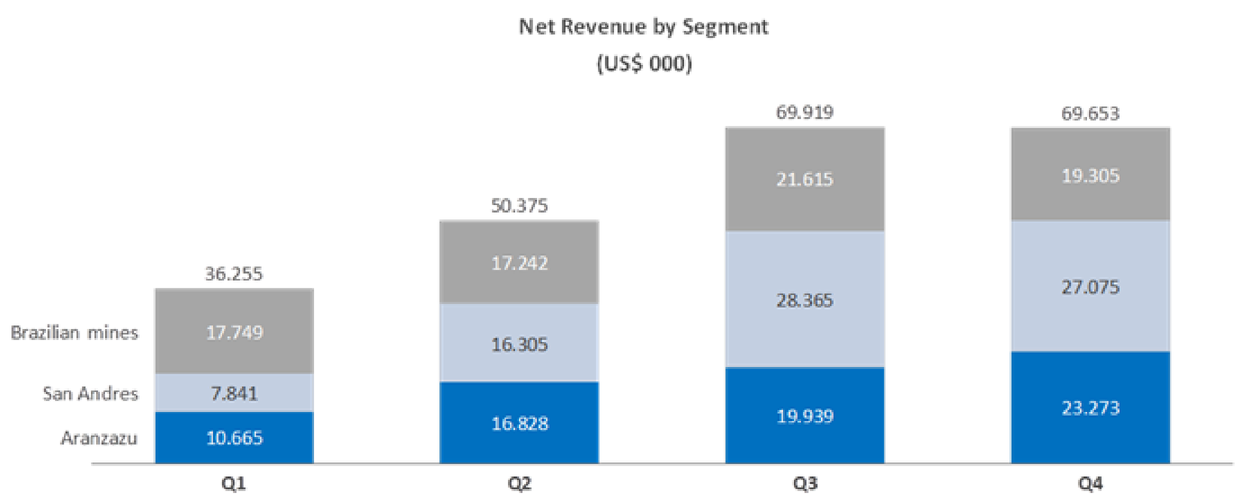
Details of net revenues, cost of production, depletion and amortization and gross margin are presented below:

		For the three months ended December, 2019		For the three months ended December, 2018		**For the twelve months ended December 31, 2019**		For the twelve months ended December 31, 2018
Revenues:								
San Andres	**$**	**27,075**	$	14,127	**$**	**79,586**	$	82,223
Brazilian Mines		**19,305**		17,689		**75,911**		73,130
Aranzazu		**23,273**		2,349		**70,705**		2,349
	$	**69,653**	$	34,165	**$**	**226,202**	$	157,702
Cost of Production:								
San Andres	**$**	**15,750**	$	15,923	**$**	**53,766**	$	70,350
Brazilian Mines		**12,948**		12,699		**52,689**		52,957
Aranzazu		**10,681**		1,400		**49,142**		1,400
	$	**39,379**	$	30,022	**$**	**155,597**	$	124,707
Depletion and Amortization:								
San Andres	**$**	**1,705**	$	1,451	**$**	**6,732**	$	7,736
Brazilian Mines		**2,717**		2,033		**8,663**		7,702
Aranzazu		**1,975**		282		**6,949**		282
	$	**6,397**	$	3,766	**$**	**22,344**	$	15,720
Gross Margin:								
San Andres	**$**	**9,620**	$	(3,247)	**$**	**19,088**	$	4,137
Brazilian Mines		**3,640**		2,957		**14,559**		12,471
Aranzazu		**10,617**		667		**14,614**		667
	$	**23,877**	$	377	**$**	**48,261**	$	17,275

Net Revenues

Total net revenue for the fourth quarter of 2019 increased by 104% compared to the same period in 2018. In dollar amount, the increase of $ 35,488 was driven mainly by the copper revenue increase in Aranzazu of $ 20,924, increase in production in San Andrés and increase in Gold prices and.

The chart below summarized the ramp-up and increase in the revenues by quarter since the first quarter of 2019:



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

Exploration expenses

	For the three months ended December 31, 2019	For the three months ended December 31, 2018	For the Twelve months ended December 31, 2019	For the Twelve months ended December 31, 2019
San Andres mine	**$ 68**	$ 175	**$ 242**	$ 800
Brazilian projects	**457**	200	**3,005**	2,997
Aranzazu mine	**40**	30	**278**	63
	$ 565	$ 405	**$ 3,525**	$ 3,860

The exploration expense for other Brazilian projects, Matupa, and Aranzazu, mainly represents costs related to increased efforts to discover potential new mining areas.

Care-and-maintenance expenses

	For the three months ended December 31, 2019	For the three months ended December 31, 2018	For the Twelve months ended December 31, 2019	For the Twelve months ended December 31, 2019
Aranzazu mine	**$ -**	$ (24)	**$ -**	$ 697
Serrote project	**-**	-	**-**	421
Rio Novo projects	**(608)**	656	**253**	950
Brazilian projects	**227**	1,072	**1,270**	3,088
	$ (381)	$ 1,704	**$ 1,523**	$ 5,156

The care-and-maintenance expense for other Brazilian projects and Rio Novo projects mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets *(See Section 9 - Transactions with Related Parties).*

General and administrative costs

	For the three months ended December 31, 2019	For the three months ended December 31, 2018	For the Twelve months ended December 31, 2019	For the Twelve months ended December 31, 2019
Salaries, wages and benefits	**$ 1,283**	$ 861	**$ 5,434**	$ 4,019
Professional and consulting fees	**960**	1,168	**3,106**	4,093
Legal, Filing, listing and transfer agent fees	**2**	106	**285**	504
Insurance	**306**	219	**914**	809
Directors' fees	**55**	35	**168**	169
Occupancy cost	**46**	76	**178**	311
Merger and acquisition	**-**	-	**-**	646
Travel expenses	**93**	117	**530**	415
Share-based payment expense	**137**	321	**449**	473
Depreciation and amortization	**5**	9	**26**	33
Lease depreciation expense	**28**	-	**102**	-
Other	**35**	(713)	**668**	289
	$ 2,950	$ 2,199	**$ 11,860**	$ 11,761

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

- Salaries, wages and benefits increased due to additional employees at Aranzazu.
- Insurance fees increased due to increased coverage at EPP and new coverage for Aranzazu.
- Travel costs increased year-over-year due to additional travelling of the Company’s officers and consultants to the mines.
- The other expense increase is primarily driven by various expenses like utilities, gas, office supplies, etc. due to the full year operations at Aranzazu.

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

Finance Costs

	For the three months ended December 31, 2019	For the three months ended December 31, 2018	**For the Twelve months ended December 31, 2019**	For the Twelve months ended December 31, 2019
Accretion expense (note 16)	**$ 1,653**	$ 169	**$ 2,333**	$ 745
Lease interest expense (note 18(b))	**12**	-	**49**	-
Interest expense on debts (note 14)	**808**	(112)	**2,962**	1,602
Finance cost on post-employment benefit	**463**	164	**867**	560
Other interest and finance costs	**1,003**	305	**1,591**	685
	$ 3,939	$ 526	**$ 7,802**	$ 3,592

The increase in interest expense on debts is mostly related to the new debts associated with the Aranzazu restart (see *Section 7 - Liquidity and Capital Resources*). For further information, refer to Note 14 of the Financial Statements.

The increase in accretion expense is related to the new right-of-use assets recognized in 2019 due to the adoption of IFRS and the recognition of additional ARO liability at the applicable discount rates. For further information, refer to Note 16 of the Financial Statements.

Other (losses) income

	For the three months ended December, 2019	For the three months ended December, 2018	**For the tweleve months ended December 31, 2019**	For the tweleve months ended December 31, 2018
Net loss on call options and fixed price contracts	**$ (11)**	$ (1,404)	**$ (5,144)**	$ 284
Gain on disposal of assets	**(2)**	-	**(109)**	1,019
Foreign exchange (loss) gain	**464**	(376)	**(2,258)**	(530)
Other items	**(1,765)**	1,094	**(696)**	104
	$ (1,314)	$ (686)	**$ (8,207)**	$ 877

The net loss on call/put options and fixed price contracts were mainly driven by the fact that gold prices further increased in 2019 above the strike prices of the call options that were entered into zero cost collars.

The foreign exchange loss was driven mainly by the significant devaluation of the Brazilian Real against the US Dollar.

The other items decrease for the three months ended December 31, 2019 compared to December 31, 2018 was due to royalties expenses for Aranzazu.

7. SUMMARY OF QUARTERLY RESULTS

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

Fiscal quarter ended	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Net Revenue	**$ 69,653**	$ 69,919	$ 50,375	$ 36,255	$ 34,165	$ 33,176	$ 45,338	$ 45,023
Net current assets (liability)	**22,820**	9,528	(3,279)	6,179	18,374	32,866	32,718	26,882
Property, plant and equipment	**212,496**	214,361	215,059	214,441	205,197	142,244	134,768	132,299
Impairment recovery (1,2)	**-**	-		-	53,701	-	-	-
Gain on acquisition of Rio Novo Project	**-**	-		-	-	-	-	21,898
(Loss) Income for the period	**29,725**	3,799	(3,913)	(4,723)	45,179	837	(5,330)	11,280
(Loss) Income per share								
Basic	**$ 6.83**	$ 0.87	$ (0.90)	$ (1.08)	$ 10.42	$ 0.20	$ (1.20)	$ 3.10
Diluted	**$ 6.80**	$ 0.87	$ (0.90)	$ (1.08)	$ 10.26	$ 0.20	$ (1.20)	$ 3.10

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

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

8. LIQUIDITY AND CAPITAL RESOURCES

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

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

The Company increased its cash from $23,708 from the beginning of the fourth quarter of 2019 to $38,870 at the end of the fourth quarter of 2019.

Details are as follows:

	For the three months ended December, 2019	For the three months ended December, 2018	**For the tweleve months ended December 31, 2019**	For the tweleve months ended December 31, 2018
Net cash generated by (used in) operating activities	**$ 18,320**	$ 2,745	**$ 36,412**	$ 11,278
Net cash generated by (used in) investing activities	**(6,272)**	(29,640)	**(15,399)**	(10,633)
Net cash generated by (used in) financing activities	**2,712**	(1,060)	**7,895**	(1,927)
	$ 14,760	$ (27,955)	**$ 28,908**	$ (1,282)

The increase in the cash position of $14,760 during the three months ended December 31, 2019, was made up of:

- Cash flow from operating activities of $18,320 made up of: net income of $29,725, items not affecting cash of $(6,983) (see *Note 27(a)* of the Financial Statements), changes in working capital of $(4,111) (see *Note 27(b)* of the Financial Statements), taxes paid of $(359), and changes in other assets and liabilities of $48.
- Cash used in investing activities of $(6,272) made up of: purchases of property, plant and equipment $(6,272) mainly related to continued into the Aranzazu mine development.
- Cash flow from financing activities of $2,712 made up of: proceeds received from FIFOMI for Aranzazu $3,596, reduction of principal payments of lease liabilities $1,248, repayment of short term loans $(1,084), repayment of other liabilities of $(410), and interest paid of $(638).

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

Financial debt	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**
Banco Occidente	**$ 2,158**	$ 2,158	$ -	$ -
Banco Atlántida	**5,950**	1,596	3,482	872
Banco ABC Brasil S.A.	**6,806**	2,758	4,048	-
Banco Santander Brasil	**4,822**	4,822	-	-
Banco Votorantim	**3,670**	576	3,094	-
FIFOMI Credit Facility	**3,596**	75	1,798	1,723
IXM S.A.	**15,952**	10,119	5,833	-
	$ 42,954	$ 22,104	$ 18,255	$ 2,595

For a detailed discussion of the above noted debts, please see *Note 14* in the Financial Statements. In the ordinary course of business, the Company has trade and other payables owing and for mine closure and restoration which are discussed in the Financial Statements.

Currently management work to replace short term to longer term finance credit lines.

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

9. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the year ended December 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:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	56,992	-	-	-	**56,992**
Derivative financial liabilities	227	-	-	-	**227**
Short-term loans	22,104	18,255	2,595	-	**42,954**
Provision for mine closure and restoration	-	3,436	2,845	23,861	**30,142**
Other liabilities and Leases	1,944	560	-	-	**2,504**
	$ 81,267	**$ 22,251**	**$ 5,440**	**$ 23,861**	**$ 132,819**

10. RELATED PARTY TRANSACTIONS

Acquisition of Rio Novo

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 (British Virgin Islands) 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 with holders of Rio Novo shares receiving 0.0053 common shares for 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 the shareholdings of Northwestern Enterprises Ltd (“Northwestern”) 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 of directors (the “Board”).

As noted above and as a result of the Merger, 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. As at December 31, 2019, the outstanding balance of the loan from Northwestern was $nil.

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

Iraja Royalty Payments

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

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

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Iraja Mineracao Ltda, a company beneficially owned or controlled by Paulo de Brito, third-party company, for the swap of the EPP Royalty with the RDM Royalty (as defined in the Royalty Swap Agreement) with no change to the terms of the royalty calculation. The Company has incurred expenses of the related royalties of $1.4M in the 2019 year and has a liability outstanding of $145.5K at December 31, 2019.

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the year ended December 31, 2019 and 2018 are as follows:

		2019	2018
Salaries and short-term employee benefits	**$**	**2,417**	$2,536
Share-based payments		**567**	347
Termination benefits		**348**	-
	$	**3,332**	$2,883

11. PROPOSED TRANSACTION

Banco Santander Refinancing

On January 2020, Mineracao Apoena and Banco Santander Brazil have agreed to refinance a loan contract in the amount of $4,500. The new loan bears an annual interest rate of 7.18% with a maturity date of January 2021.

Potential Acquisition from Para Resources

On February 10th, 2020, the Company signed a binding Term Sheet to buy a Gold mine in Arizona, USA called "Gold Road" from Para Resources. The transaction is still pending to legal due diligence, among other procedures, and should be closed early March.

The acquisition will be for a price of US$ 1.00 while the Company assumes a non-recourse debt of US$ 35 MM with an option to prepay for US$ 24 MM during the first year.

12. 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'

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). 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 of December 31, 2018.

13. CRITICAL ACCOUNTING ESTIMATES

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

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

a) Determination of ore reserves and reserves

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

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

b) Impairment of assets

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

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

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

c) Valuation of work-in-process inventory

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

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

d) Provisions for mine closure and restoration

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

e) Purchase price allocation

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

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

The excess of the:
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

f) Income Taxes

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

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

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

In 2019, given the Aranzazu mine's past two years of taxable profits and considerations of the current expected future taxable profits, management recognized an effect of $18,879 of previously unrecognized tax losses. Management considered it probable that future taxable profits would be available against which such losses can be used

14. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of December 31, 2019 consist of cash and cash equivalents, receivables, derivative liabilities, short-term loans, and trade and other payables, presented at fair value. The Company's financial instruments are denominated in USD.

Gold Price Risk is associated primarily with the volatility that will occur in the precious metals commodity market. Such risk can be managed by hedging a portion of the Company's oxide gold production through fixed price contracts and put/call option contracts. As of December 31, 2019, the Company had no outstanding fixed price contracts. However, as of December 31, 2019, the Company had 24,500 ounces with floor prices between $1,350 and $1,480 and ceiling prices between $1,475 and $1,700 per ounce of gold expiring between January 31, 2019, and July 31, 2020.

Credit Risk is associated primarily with trade receivables and derivative contracts. As of December 31, 2019, the Company considers the credit risk with these financial contracts to be low.

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

Foreign Currency Risk is generally associated with transactions denominated in non-USD currencies. The Company is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Company has operations located in Honduras, Brazil, and Mexico. The Company holds sufficient amounts of its currency to meet its estimated expenditure requirements for these currencies. At December 31, 2019, the Company had cash and cash equivalents of $38,870, of which, $12,133 were in United States dollars, $3,241 in Canadian dollars, $15,217 in Brazilian reais, $6,303 in Honduran lempiras, and $1,976 in Mexican pesos.

15. 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, three of whom are not independent of the Company and two of whom are unrelated in that they are independent of management. Rodrigo Barbosa is currently not considered independent due to his role as President & CEO of the Company. Mr. Brito is not considered independent because of his affiliation with Northwestern. 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. Additionally, any such copy of this MD&A shall be provided to anyone who may request it.

16. 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 year end December 31, 2018, 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.

17. NON-GAAP PERFORMANCE MEASURES

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

A. Reconciliation from income for the year to adjusted EBITDA

	For the three months ended December, 2019	For the three months ended December, 2018	**For the tweleve months ended December 31, 2019**	For the tweleve months ended December 31, 2018
Income for the year	**$ 29,725**	$ 45,180	**$ 24,887**	$ 51,966
Income tax (expense) recovery	**(14,235)**	3,290	**(9,543)**	5,406
Finance costs	**3,939**	526	**7,802**	3,592
Other gains (losses)	**1,314**	686	**8,207**	(877)
Depreciation	**6,430**	3,775	**22,472**	15,753
EBITDA	**$ 27,173**	$ 53,457	**$ 53,825**	$ 75,840
Impairment reversal	**-**	(53,701)	**-**	(53,701)
Adjusted EBITDA	**$ 27,173**	$ (244)	**$ 53,825**	$ 22,139

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

	For the three months ended December, 2019	For the three months ended December, 2018	**For the twelve months ended December 31, 2019**	For the twelve months ended December 31, 2018
Cost of goods sold	**$ 45,776**	$ 33,788	**$ 177,941**	$ 140,427
Cost of goods sold related to copper operation	**(12,656)**	(1,682)	**(56,091)**	(1,682)
Depreciation related to gold	**(4,422)**	(3,484)	**(15,395)**	(15,438)
Cash cost of gold sold	**28,698**	28,622	**106,455**	123,307
Change in inventory	**1,688**	(3,189)	**1,755**	(9,115)
Total cash cost of gold produced	**$ 30,386**	$ 25,433	**$ 108,210**	$ 114,192
Ounces of gold produced	**33,432**	26,724	**114,307**	121,734
Cash costs per ounce of gold produced	**$ 908.89**	$ 951.69	**$ 946.66**	$ 938.05

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

	For the three months ended December, 2019	For the three months ended December, 2018	**For the twelve months ended December 31, 2019**	For the twelve months ended December 31, 2018
Cost of goods sold	**$ 45,776**	$ 33,788	**$ 177,941**	$ 140,427
Cost of production related to gold operation	**(33,120)**	(32,106)	**(121,850)**	(138,745)
Depreciation related to copper	**(1,975)**	(282)	**(6,949)**	(282)
Cost of goods of copper sold	**10,681**	1,400	**49,142**	1,400
Change in inventory	**13**	2,682	**(2,400)**	2,682
Total cash cost of copper produced	**$ 10,694**	$ 4,082	**$ 46,742**	$ 4,082
Copper pounds produced	**10,997,021**	1,445,000	**33,067,021**	1,445,000
Cash costs per copper pound produced	**$ 0.97**	$ 2.82	**$ 1.41**	$ 2.82

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

	For the three months ended December, 2019	For the three months ended December, 2018	**For the twelve months ended December 31, 2019**	For the twelve months ended December 31, 2018
Gross gold revenue	**$ 47,366**	$ 34,497	**$ 159,071**	$ 162,220
Local gold sales taxes	**(986)**	(2,681)	**(3,574)**	(6,867)
Gold revenue, net of sales taxes	**46,380**	31,816	**155,497**	155,353
Ounces of gold sold	**34,593**	26,424	**115,426**	125,455
Realized average gold price per ounce sold, gross [1]	**$ 1,369**	$ 1,306	**$ 1,378**	$ 1,293
Realized average gold price per ounce sold, net	**1,341**	1,204	**1,347**	1,238

E. Net debt:

	2019	2018
Short Term Loans	**$ 22,104**	$ 12,004
Long-Term Loans	**20,850**	18,597
Less: Cash and Cash Equivalents	**(38,870)**	(10,507)
Less: Restricted cash	**(230)**	-
Less: Short term investments	**-**	(10,148)
Net Debt	**3,854**	**9,946**

18. 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

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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.

19. DISCLOSURE OF SHARE DATA

As at December 31, 2019, the Company had the following outstanding: 4,353,865 common shares, 230,150 stock options, and 11,404 deferred share units.

20. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference herein, contain certain "forward-looking information" and "forward-looking statements", as defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the economic viability of a project; strategic plans, including the Company's plans with respect to its properties; the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash 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.